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Subject Company: WellPoint Health Networks Inc.
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On October 27, 2003, Anthem, Inc. distributed the document set forth below. The merger agreement for Anthem's merger with WellPoint Health Networks Inc. will be filed by Anthem, Inc. under cover of Form 8-K today and is incorporated by reference to this filing.

news release

Anthem

WELLPOINT.

Anthem and WellPoint to Merge

Combination Will Create Nation's Leading Health Benefits Company

Indianapolis, IN and Thousand Oaks, CA — October 27, 2003 — Anthem, Inc. (NYSE: ATH) and WellPoint Health Networks Inc. (NYSE: WLP), today announced that they have signed a definitive merger agreement that will create the nation's leading health benefits company. The combined company will serve nearly 26 million medical members, and operate as a Blue Cross or Blue Cross Blue Shield licensee in 13 states.

Under the terms of the agreement, WellPoint's shareholders will receive $23.80 in cash and one share of Anthem common stock per WellPoint share. The total value of the transaction is approximately $16.4 billion based on Anthem's October 24, 2003 closing stock price. The merger is expected to close by mid-2004, subject to regulatory and shareholder approvals.

Benefits of Affiliation

"Today marks an historic event for both of our companies. This strategic merger combines the operational, financial and human resources of two great companies and positions the enterprise as a leader in the health benefits industry, a testament to the value and strength of the Blue Cross Blue Shield brand," said Larry Glasscock, chairman, president and chief executive officer of Anthem. "Bringing together the long-held traditions of customer focus and operational excellence from each company provides an opportunity to create an even stronger organization that will provide the very best in products, services and information to our members and the health care professionals who serve them."

"Advancing medical technology, the Baby Boomer generation and expanding consumer expectations continue to strain the American health care system," said Leonard Schaeffer, chairman and chief executive officer of WellPoint. "We want to take the lead in addressing these challenges. This merger creates the nation's leading health benefits company with an outstanding opportunity to set the industry standard and better serve our members, employer groups, physicians and hospitals, agents and brokers, and our communities."

"Our vision is to redefine the industry by providing more value to our constituents through innovative, choice-based products, significant service enhancements, simplified transactions, and better access to information for quality care," added Schaeffer.

Glasscock further commented, "This affiliation creates additional opportunities for both companies to expand collaborative reimbursement programs that reward physicians and hospitals for clinical quality. The associates of our combined company will also be given tremendous opportunities for personal growth and development across a much larger organization."

EXHIBIT
tabbies
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"Additionally, both companies have demonstrated a strong history of community involvement and commitment to charitable causes and public health initiatives. The combined company will

continue to build on those traditions in the communities where we live and work," added Glasscock.

Both Glasscock and Schaeffer emphasized that through this affiliation, customers, providers, shareholders, and associates would benefit from:

- Complementary cultures centered on anticipating customer needs and providing quality service;
- Strong, collaborative relationships with customers, providers and regulators;
- Combined size and scale that creates the leading company in the health benefits industry;
- Expanded geographical diversity with a local focus and national reach;
- Significant growth opportunities in regional and national markets; and
- Substantial opportunities for operational synergies and cost savings that will contribute to keeping premiums affordable for customers.

This transaction is expected to be modestly dilutive to 2004 earnings per share and accretive thereafter. At least $50 million pre-tax synergies are expected to be realized in 2004 and approximately $175 million in 2005, with annual pre-tax synergies of at least $250 million expected to be fully realized on an annual basis by 2006.

New Organization

The combined company's name will be WellPoint, Inc. The corporate headquarters will be located in Indianapolis, Indiana.

After the closing, the Board of Directors of the combined company will include 12 members from Anthem's Board and 8 members from WellPoint's Board. Leonard Schaeffer will serve as Chairman of the Board. Larry Glasscock will be President and Chief Executive Officer of the combined company. WellPoint's Chief Financial Officer, David Colby, will be Executive Vice President and Chief Financial Officer. Michael Smith, Anthem's current Executive Vice President and Chief Financial Officer, will co-chair the merger transition and integration team along with Alice Rosenblatt, WellPoint's Executive Vice President, Integration Planning/Implementation and Chief Actuary. Upon completion of this assignment, Michael Smith will retire in accordance with his previously announced plans.

Both WellPoint and Anthem have established a regional operating model that emphasizes local decision-making. The combined company will remain committed to a regional structure with the current regional leaders participating in the integration process to ensure that best practices and operational synergies are realized across all geographic markets. To assure continuity of leadership, the Presidents of WellPoint's Blue Plans will be asked to continue in their current roles.

The local Blue branded businesses will continue to operate in their markets under current brand names. The combined company will also continue to use the UNICARE and HealthLink brands.

Company Facts

As of Sept. 30, 2003	Anthem	WellPoint*	Combined
Medical Membership	12 million	14 million	26 million
Employees	20,000	20,000	40,000
Assets	$13.2 billion	$13.9 billion	$27.1 billion
Last 12 Months Ended Sept. 30, 2003			
Revenues	$16.5 billion	$19.4 billion	$35.9 billion
Net Income	$737.4 million	$843.7 million	$1.6 billion

* Includes no income statement impact associated with the September 24, 2003 acquisition of Cobalt and does not include BlueCard host membership for WellPoint.

Conference Call and Webcast

Anthem and WellPoint will host a joint conference call and webcast today at 8:00 am Eastern Standard Time (EST) to discuss their definitive merger agreement and their respective third quarter earnings results. The conference call can be accessed by dialing 800-289-0494 (International 913-981-5520). No pass-code is required. The webcast and presentation slides can be accessed at Anthem's web site, www.anthem.com, or WellPoint's web site, www.wellpoint.com under Investor Relations. Please visit the website or dial in at least 15 minutes in advance. A replay of the call will be available after 10:30 a.m. EST on October 27, 2003 until the end of the day on November 10, 2003 by dialing 888-203-1112 (International 719-457-0820), pass-code 727923.

Please note that the previously scheduled conference calls for October 28, 2003 and October 29, 2003 for WellPoint and Anthem, respectively, have been cancelled due to the distribution of this press release and today's conference call.

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About Anthem

Anthem, Inc. is an Indiana-domiciled publicly traded company that, through its subsidiary companies, provides health care benefits to more than 11.8 million people and specialty benefits to 12.1 million people. Anthem is the fifth largest publicly traded health benefits company in the United States and an independent licensee of the Blue Cross Blue Shield Association. Anthem is the Blue Cross and Blue Shield licensee for Indiana, Kentucky, Ohio, Connecticut, New Hampshire, Colorado, Nevada, Maine and Virginia, excluding the immediate suburbs of Washington, D.C. Anthem had assets of $13.2 billion as of September 30, 2003 and full year 2002 revenue of $13.3 billion. More information about Anthem is available at www.anthem.com.

About WellPoint

WellPoint serves the health care needs of more than 14 million medical members and more than 44 million specialty members nationwide through Blue Cross of California, Blue Cross and Blue Shield of Georgia, Blue Cross and Blue Shield of Missouri, Blue Cross & Blue Shield United of Wisconsin, HealthLink and UNICARE. Visit WellPoint on the Web at www.wellpoint.com. *Blue Cross of California, Blue Cross and Blue Shield of Georgia, Blue Cross and Blue Shield of Missouri and Blue Cross & Blue Shield United of Wisconsin are independent licensees of the Blue Cross and Blue Shield Association.*

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This press release contains certain forward-looking information about Anthem, Inc. ("Anthem"), WellPoint Health Networks Inc. ("WellPoint") and the combined company after completion of the transactions that are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of Anthem and WellPoint, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include: those discussed and identified in public filings with the U.S. Securities and Exchange Commission ("SEC") made by Anthem and WellPoint; trends in health care costs and utilization rates; our ability to secure sufficient premium rate increases; competitor pricing below market trends of increasing costs; increased government regulation of health benefits and managed care; significant acquisitions or divestitures by major competitors; introduction and utilization of new prescription drugs and technology; a downgrade in our financial strength ratings; litigation targeted at health benefits companies; our ability to contract with providers consistent with past practice; our ability to consummate Anthem's merger with WellPoint, to achieve expected synergies and operating efficiencies in the merger within the expected time-frames or at all and to successfully integrate our operations; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or

suppliers, may be greater than expected following the transaction; the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; our ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction and the value of the transaction consideration; future bio-terrorist activity or other potential public health epidemics; and general economic downturns. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Neither Anthem nor WellPoint undertakes any obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures in Anthem's and WellPoint's various SEC reports, including but not limited to Annual Reports on Form 10-K for the year ended December 31, 2002 and Quarterly Reports on Form 10-Q for the reporting periods of 2003.

Additional Information and Where to Find It

This press release may be deemed to be solicitation material in respect of the proposed merger of Anthem and WellPoint. In connection with the proposed transaction, a registration statement on Form S-4 will be filed with the SEC. ***SHAREHOLDERS OF ANTHEM AND STOCKHOLDERS OF WELLPOINT ARE ENCOURAGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE JOINT PROXY STATEMENT/ PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.*** *The final joint proxy statement prospectus will be mailed to shareholders of Anthem and stockholders of WellPoint. Investors and security holders will be able to obtain the documents free of charge at the SEC's web site, www.sec.gov, from Anthem Investor Relations at 120 Monument Circle, Indianapolis, IN 46204-4903, or from WellPoint Investor Relations at 1 WellPoint Way, Thousand Oaks, CA 91362.*

Participants in Solicitation

Anthem, WellPoint and their directors and executive officers and other members of their management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Anthem's Current Report on Form 8-K, to be filed with the SEC on October 27, 2003, will contain information regarding Anthem's participants and their interests in the solicitation. Information concerning WellPoint's participants is set forth in the proxy statement, dated March 31, 2003, for Wellpoint's 2003 annual meeting of stockholders as filed with the SEC on Schedule 14A. Additional information regarding the interests of Anthem's and WellPoint's participants in the solicitation of proxies in respect of the proposed transaction will be included in the registration statement and joint proxy statement/prospectus to be filed with the SEC.

Exhibit 99.1

6705 Rockledge Drive, Suite 900
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(301) 581-0600

News Release

FOR IMMEDIATE RELEASE

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Coventry Health Care Signs Definitive Agreement To Acquire First Health

Coventry Reports Third Quarter Earnings of $0.96 Per Diluted Share

- *Creates a leading health benefits company with size and scale for future growth*
- *Leverages the complementary strengths of both companies*
- *Broadens the product portfolio and further diversifies the client base*
- *First Health shareholders will receive 0.1791 Coventry shares and $9.375 in cash per First Health share*
- *Immediately accretive, expected to add $0.30 — $0.36 to earnings per share in 2005*

Bethesda, Maryland (October 14, 2004) — Coventry Health Care, Inc. (NYSE: CVH), and First Health Group Corp. (First Health) (NASDAQ: FHCC) jointly announced today that they have signed a definitive agreement whereby Coventry will acquire all of the outstanding shares of common stock of First Health for a combination of shares of Coventry's common stock and cash. The combination creates a national health benefits company capable of providing health insurance and administrative services to a broad array of commercial and government clients.

Under the terms of the agreement, and subject to regulatory approvals, Coventry will pay 0.1791 shares of Coventry common stock and $9.375 in cash, per First Health share. Based on the NYSE closing price of Coventry's shares of $52.05, the indicated combined per share consideration for each outstanding share of First Health common stock amounts to $18.70 or a total indicated purchase price of approximately $1.8 billion. Coventry expects to finance the cash consideration with a combination of existing cash balances and borrowing under a new $950 million bank commitment.

First Health, headquartered in Downers Grove, Illinois, is a full service national health benefits services company serving the group health, workers' compensation and state public program markets. First Health offerings include a directly contracted national preferred provider organization, clinical programs, disease management, pharmacy benefit management and other healthcare administrative products. First Health generated revenues of $890.9 million in 2003.

"The combination of Coventry Health Care and First Health Group creates a truly national health benefits platform with the tools to serve our local, national and governmental clients. Coventry Health Care has built a very successful market position in 15 markets throughout the United States. The acquisition of First Health enables us to extend our success far beyond our existing borders. This transforming acquisition positions Coventry to be a leader over the coming years as our clients seek an efficient solution to their health care cost challenges," said Allen Wise, President and CEO of Coventry.

Dale Wolf, Executive Vice President and Chief Financial Officer, stated, "We look forward to combining the strengths of these two companies to better serve both companies' clients. First Health's national health administrative services

business is highly complementary to our traditional strength in operating local health plans. We will now have the capability to target the most attractive opportunities in health insurance and administrative services from small group to national and governmental accounts nationwide."

"This merger will provide great opportunities for all of our constituents including colleagues, clients and providers and enhance efforts to secure and service a growing client base." said Edward L. Wristen, President and Chief Executive Officer of First Health.

As a result of the transaction, the combined company will benefit from:

- The size, scale and market access needed for leadership
- A broad product portfolio creating diversified revenues and cash flow streams
- A national presence combined with local network strength
- Operational excellence through combined management expertise
- Continued financial strength and flexibility
- Operating synergies of $100 million by the end of fiscal 2007

Transaction Summary

The transaction involves a merger of First Health into a Coventry acquisition subsidiary. Closing of the transaction, subject to regulatory approvals, approval of a majority of First Health's shareholders and other customary conditions is expected during the first quarter of 2005. The transaction is expected to be structured as a tax-free reorganization. Following the transaction, First Health shareholders will have between 15.1% and 15.7% ownership on a diluted basis in the combined company. The merger agreement has been approved by the boards of directors of both companies.

CIBC World Markets Corp. and Lehman Brothers, Inc. acted as financial advisors and Bass, Berry, & Sims, PLC acted as legal counsel to Coventry.

Profile of the Combined Company

The combined company will have operations in 50 states in the United States, Puerto Rico and the District of Columbia. The combined company expects to have pro forma 2004 revenue of $6.2 billion, and EBITDA of $850.8 million. In addition, the combined company expects to achieve annual operating synergies of approximately $20-$30 million targeted for 2005, $40 -$60 million by the end of 2006, and more than $100 million by the end of 2007 (provider network savings, in-sourcing opportunities, implementation of best practices and elimination of duplicate corporate costs). The transaction is expected to be immediately accretive to Coventry's earnings per share, adding approximately $0.30 – $0.36 to Coventry's 2005 EPS guidance of $4.13 – $4.17 (excluding one-time transaction related adjustments and costs). Subsequent to closing, Coventry will have an anticipated debt to EBITDA ratio of 1.26x – 1.30x and a Debt/ Total Capitalization ratio of 33.8% – 34.7%.

Coventry Third Quarter 2004 Results

In addition to the First Health acquisition announcement, Coventry is also reporting its third quarter earnings and introducing guidance for 2005. Operating revenues totaled $1.33 billion for the quarter, a 15.6% increase over the third quarter of 2003. Net earnings were $87.0 million, or $0.96 per diluted share, a 28.9% increase over net earnings for the third quarter of 2003 and 29.7% on a per diluted share basis. For the nine months ended September 30, 2004, total revenues were $3.93 billion, a 18.6% increase over 2003, with net earnings of $2.71 per diluted share, a 36.2% increase over 2003.

Financial Highlights

- 3rd Quarter Membership Up 4.0% over the prior year quarter
- 3rd Quarter Revenues Up 15.6% over the prior year quarter
- 3rd Quarter EPS Up 29.7% over the prior year quarter
- 3rd Quarter Operating Margin of 9.6%, Up 70 basis points over the prior year quarter
- 3rd Quarter Annualized Return on Equity of 33.0%

Q4 2004 Guidance

- Total Revenues of $1.37 billion to $1.38 billion
- EPS in the range of $0.95 to $0.97

2005 Guidance

- Risk revenues in the range of $5.90 billion to $6.00 billion
- Management services revenues of $100.0 million to $105.0 million
- Medical loss ratio (MLR%) of 80.5% to 81.5% of risk revenues
- Selling, general, and administrative expenses (SG&A) of $660.0 million to $670.0 million
- Depreciation and amortization of $20.0 million to $21.0 million
- Investment income of $43.0 million to $45.0 million
- Interest expense of $14.5 million to $14.8 million
- Tax rate of 35.8% to 36.2%
- Diluted share count of 90.5 million to 91.5 million shares
- Earnings per share (EPS) on a diluted basis of $4.13 – $4.17

Mr. Wise will host a conference call at 10:30 a.m. EST on Thursday, October 14, 2004. To listen to the call, dial (888) 203-7337, or for international callers, (719) 955-1566. Callers will be asked to identify themselves and their affiliations. The conference call will also be broadcast over the internet at www.cvty.com. Coventry asks participants on both the call and webcast to review and be familiar with its filings with the SEC. A replay of the call will be available for one week at (888) 203-1112, or for international callers, (719) 457-0820. The access code is 932607.

Coventry Health Care is a managed health care company based in Bethesda, Maryland operating health plans, insurance companies, and provider networks under the names Coventry Health Care, Coventry Health and Life, Altius Health Plans, Carelink Health Plans, Group Health Plan, HealthAmerica, HealthAssurance, HealthCare USA, OmniCare, PersonalCare, SouthCare, Southern Health and WellPath. The Company provides a full range of managed care products and services including HMO, PPO, POS, Medicare+Choice, and Medicaid to 3.1 million members in a broad cross section of employer and government-funded groups in 15 markets throughout the Midwest, Mid-Atlantic and Southeast United States. More information is available on the Internet at www.cvty.com.

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or future financial performance and may be significantly impacted by certain risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2003 filed with the Securities and Exchange Commission.

Additional Information About This Information

This communication is not a solicitation of a proxy from any security holder of First Health. Coventry and First Health intend to file a registration statement on Form S-4 with the SEC in connection with the Merger. The Form S-4 will contain a prospectus, a proxy statement and other documents for the stockholders' meeting of First Health at which time the proposed transaction will be considered. The Form S-4, proxy statement and prospectus will contain important information about Coventry, First Health, the Merger and related matters. Investors and stockholders should read the Form S-4, the proxy statement and prospectus and the other documents filed with the SEC in connection with the Merger carefully before they make any decision with respect to the Merger. The Form S-4, proxy statement and prospectus, and all other documents filed with the SEC in connection with the Merger will be available when filed free of charge at the SEC's web site, www.sec.gov. In addition, all documents filed with the SEC by Coventry in connection with the Merger will be made available to investors free of charge by writing to: Coventry Health Care, Inc., 6705 Rockledge Drive, Suite 900, Bethesda, Maryland 20817, Attn: Investor Relations. All documents filed with the SEC by First Health in connection with the Merger will be made available to investors free of charge by writing to: First Health Group Corp., 3200 Highland Avenue, Downers Grove, Illinois 60515, Attn: Investor Relations.

Coventry, First Health, their respective directors and executive officers may be deemed participants in the solicitation of proxies from First Health's stockholders. Information concerning Coventry's directors and certain executive officers and their direct and indirect interests in Coventry is contained in its proxy statement for its 2004 annual meeting of

stockholders. Information concerning First Health's directors and certain executive officers and their direct and indirect interests in First Health is contained in its proxy statement for its 2004 annual meeting of stockholders. Additional information regarding the interests of these participants in the Merger will be available in the proxy statement regarding the Merger. Investors can obtain free copies of these documents from the SEC's website.

COVENTRY HEALTH CARE, INC.
MEMBERSHIP
(Amounts in thousands)

	September 30, 2004	June 30, 2004	September 30, 2003
Membership by Market:			
Delaware	103	104	101
Georgia	76	80	77
Illinois – Central	87	86	75
Iowa	66	72	94
Kansas City	210	212	230
Louisiana	76	76	73
Nebraska	50	49	47
North Carolina	120	122	118
Pennsylvania	736	728	680
St. Louis	495	503	461
Utah	184	181	168
Virginia	166	163	154
West Virginia	77	82	75
Total Membership	2,446	2,458	2,353
Membership by Product:			
Risk membership:			
Commercial	1,487	1,503	1,486
Medicare	68	68	64
Medicaid	333	334	315
Total risk membership	1,888	1,905	1,865
Non-risk membership	558	553	488
Total Membership	2,446	2,458	2,353
Network rental membership	574	681	719

COVENTRY HEALTH CARE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(unaudited)

	Quarters Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Operating revenues:				
Managed care premiums	$1,302,053	$1,126,594	$3,843,529	$3,244,884
Management services	27,763	23,395	84,260	66,953
Total operating revenues	1,329,816	1,149,989	3,927,789	3,311,837
Operating expenses:				
Medical costs	1,043,317	906,756	3,096,860	2,638,031
Selling, general and administrative	154,034	136,859	455,705	397,579
Depreciation and amortization	4,259	4,280	12,921	13,424
Total operating expenses	1,201,610	1,047,895	3,565,486	3,049,034
Operating earnings	128,206	102,094	362,303	262,803
Operating earnings percentage of total revenues	9.6%	8.9%	9.2%	7.9%
Senior notes interest expense, net	3,572	4,126	10,719	11,470
Other income, net	10,809	9,211	32,581	31,115
Earnings before income taxes	135,443	107,179	384,165	282,448
Provision for income taxes	48,421	39,656	138,814	101,991
Net earnings	$ 87,022	$ 67,523	$ 245,351	$ 180,457
Net earnings per share, basic	$ 0.99	$ 0.76	$ 2.79	$ 2.05
Net earnings per share, diluted	$ 0.96	$ 0.74	$ 2.71	$ 1.99
Weighted average shares outstanding, basic	88,344	88,595	87,954	87,824
Weighted average shares outstanding, diluted	90,653	91,230	90,527	90,441

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COVENTRY HEALTH CARE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	September 30, 2004 (unaudited)	June 30, 2004 (unaudited)	December 31, 2003
Assets:			
Current assets:			
Cash and cash equivalents	$ 398,853	$ 303,342	$ 253,331
Short-term investments	287,141	249,159	101,191
Accounts receivable, net	91,523	85,015	89,766
Other receivables, net	52,240	51,764	45,335
Deferred income taxes	35,698	37,686	36,255
Other current assets	8,670	9,916	8,089
Total current assets	874,125	736,882	533,967
Long-term investments	949,099	978,428	1,051,400
Property and equipment, net	29,917	28,900	33,085
Goodwill	281,328	281,328	281,183
Other intangible assets, net	26,154	26,780	27,447
Other long-term assets	57,171	58,853	54,654
Total assets	$2,217,794	$2,111,171	$1,981,736
Liabilities and Stockholders' Equity:			
Current liabilities:			
Medical claims liabilities	$ 597,510	$ 595,720	$ 537,340
Other medical liabilities	48,767	48,932	59,850
Accounts payable and other accrued liabilities	198,139	199,917	183,781
Deferred revenue	72,720	71,244	73,909
Total current liabilities	917,136	915,813	854,880
Senior notes	170,500	170,500	170,500
Other long-term liabilities	26,065	21,651	27,358
Total liabilities	1,113,701	1,107,964	1,052,738
Stockholders' Equity:			
Total stockholders' equity	1,104,093	1,003,207	928,998
Total liabilities and stockholders' equity	$2,217,794	$2,111,171	$1,981,736

COVENTRY HEALTH CARE, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Amounts in thousands)
(unaudited)

	Quarter Ended September 30, 2004	Nine Months Ended September 30, 2004
Cash flows from operating activities:		
Net earnings	$ 87,022	$ 245,351
Depreciation and amortization	4,259	12,921
Amortization of deferred compensation	4,562	10,945
Changes in assets and liabilities:		
Accounts receivable, net	(6,508)	(1,757)
Medical claims liabilities	1,790	60,170
Other medical liabilities	(165)	(11,083)
Accounts payable and accrued liabilities	5,194	28,187
Deferred revenue	1,476	(1,189)
Other operating activities	4,350	3,773
Net cash flows from operating activities	101,980	347,318
Cash flows from investing activities:		
Capital expenditures, net	(4,646)	(7,812)
Payments for investments, net of sales and maturities	(196)	(105,160)
Payments for acquisitions, net of cash acquired	(4)	(975)
Net cash flows from investing activities	(4,846)	(113,947)
Cash flows from financing activities:		
Proceeds from issuance of stock	3,438	8,886
Payments for repurchase of stock	(5,061)	(96,602)
Payments for fractional shares from stock split	0	(133)
Net cash flows from financing activities	(1,623)	(87,849)
Net change in cash and cash equivalents for current period	95,511	145,522
Cash and cash equivalents at beginning of period	303,342	253,331
Cash and cash equivalents at end of period	$ 398,853	$ 398,853
Cash and Investments:		
Cash and cash equivalents	$ 398,853	$ 398,853
Short-term investments	287,141	287,141
Long-term investments	949,099	949,099
Total cash and investments	$ 1,635,093	$ 1,635,093

COVENTRY HEALTH CARE, INC.
SELECTED OPERATING STATISTICS
(Excluding charges)

	Q3 2004	Q2 2004	Q1 2004	Total 2003	Q4 2003	Q3 2003	Total 2002
Revenue PMPM							
Commercial	228.36	224.56	222.08	206.08	209.74	208.30	183.80
Medicare	698.82	693.74	683.12	629.52	632.22	630.56	593.29
Medicaid	143.87	140.61	141.49	139.69	138.11	141.33	137.54
Management Fees	16.68	17.06	17.28	17.86	18.38	17.37	17.71
Medical PMPM							
Commercial	182.12	177.19	176.36	164.59	165.28	166.36	152.12
Medicare	541.55	579.18	607.02	527.84	556.98	507.59	509.60
Medicaid	122.86	122.80	122.98	122.25	123.58	119.46	115.58
MLR %							
Commercial	79.8%	78.9%	79.4%	79.9%	78.8%	79.9%	82.8%
Medicare	77.5%	83.5%	88.9%	83.8%	88.1%	80.5%	85.9%
Medicaid	85.4%	87.3%	86.9%	87.5%	89.5%	84.5%	84.0%
Total	80.1%	80.3%	81.3%	81.2%	80.9%	80.5%	83.3%
SGA % of revenues	11.6%	11.6%	11.6%	12.0%	11.9%	11.9%	12.2%
SGA PMPM	21.05	20.86	20.54	20.60	20.69	20.51	19.56
Claims Statistics							
Claims Inventory	143,645	161,212	142,080		128,556	156,773	146,842
Inventory Days on Hand	1.5	1.7	1.5		1.2	1.7	2.0
Total Medical Liabilities (000's)	$646,277	$644,652	$645,017		$597,190	$610,033	$558,599
Days in Claims Payable	52.69	52.64	52.39		51.01	55.83	59.46
Days in Other Medical Liabilities	4.30	4.32	4.94		5.68	6.06	7.33
Total Days in Medical Liabilities	56.99	56.96	57.33		56.69	61.89	66.79
Member Growth(a)							
Same Store	(12,000)	27,000	48,000	157,000	36,000	42,000	51,000
Acquisition	0	0	0	191,000	(6,000)	159,000	143,000

(a) Membership growth excludes network rental membership.

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Filed by UnitedHealth Group Incorporated
Pursuant to Rule 425 under the Securities Act of 1933
and Deemed Filed Pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Subject Company: PacifiCare Health Systems, Inc.
Commission File No. 001-31700

N E W S R E L E A S E [UnitedHealth Group logo]

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(For Immediate Release)

UNITEDHEALTH GROUP TO MERGE WITH PACIFICARE HEALTH SYSTEMS INC.

- Furthers Efforts to Make Health Care Services More Affordable, More Available and Easier To Use For People Nationwide
- Deepens Resources and Growth Opportunities for Serving Consumer, Senior and Specialty Markets
- Expands Senior Health Services, Offering Older Americans Improved Access to Best Practices, More Services and Simplified Programs
- Brings Important Consumer Product Innovations and Technology Applications to Further Serve the Pacific Coast Markets

Minneapolis, Minnesota (July 6, 2005) - UnitedHealth Group (NYSE: UNH) announced today that it has signed a definitive agreement to merge with PacifiCare Health Systems, Inc. (PacifiCare) (NYSE: PHS), for a combination of cash and stock, furthering the efforts of both companies to make a broad range of health care services more affordable, more available and easier to use for people nationwide.

PacifiCare provides a spectrum of health care and benefit services to approximately 9 million people, principally in markets in the western United States. The transaction combines PacifiCare's extensive network of high-quality health care providers and services across the West with UnitedHealth Group's

organized system of care providers and clinical Centers of Excellence programs throughout the United States, its significant capabilities and technologies to support consumers, and its leadership role in making the health care system work better for multiple and diverse constituencies, including the uninsured.

<PAGE>
UnitedHealth Group and PacifiCare Health Systems - Continued

"This combination will bring the best of both companies forward in a manner that respects each one's unique history and contributions while advancing a national presence that can help address a highly fragmented health care system," said UnitedHealth Group Chairman and CEO William W. McGuire, MD. "We believe that we will together advance on a critical goal - making the health care system work better for people. With different yet complementary service capabilities and geographic market focus, the combination will benefit every participant in the health care system, including consumers, employers, physicians, hospitals and other care providers, by joining two organizations with a common focus on - and proven commitment to - quality, service, simplification and affordability."

UnitedHealth Group sees this business combination creating opportunities in five primary areas:

- Services to address the needs of older Americans, including those under new Medicare programs;
- Health benefit programs for government and commercial employers - ranging from large multisite corporations to small local businesses - and for individuals;
- Consumer-oriented offerings and service capabilities that align with the rapidly developing confluence of health and financial services;
- Services directed to specialized health care needs such as behavioral, dental, vision, and pharmaceutical benefits;
- Quality enhancements and efficiency gains for hospitals, physicians and other health professionals.

Operating enhancements for the combined company are expected to occur and will provide further value for customers and shareholders alike. In addition, the companies have separately agreed to certain customary market cooperation agreements that will help further expand care access and service for customers of both parties.

"This merger will enhance our resources, strengthen our product offerings and build on the leadership of the PacifiCare brand on the Pacific coast and our Secure Horizons brand nationally," said Howard Phanstiel, chairman and chief executive officer of PacifiCare. "The joining together of our two highly complementary organizations will provide important benefits to the people and communities we serve and allow us to address important new business opportunities. The combination will fully diversify our customer portfolio, while improving our ability to deliver health care cost effectively in our markets."

<PAGE>
UnitedHealth Group and PacifiCare Health Systems - Continued

In one noteworthy area of focus, the business combination will improve access to affordable health care services for seniors by creating an expanded company focused on their unique needs. Both companies today have a well-recognized, long-standing commitment to older Americans, and are leaders in Medicare program innovation. As a result, the combined company will provide seniors with nationwide access to physicians and care providers at more cost-effective rates, consistent service across geographic regions, and programs focused on evidence-based quality care. These advantages are in line with the federal government's goals of improved value across multiple care options in its Medicare program, and come at a time of significant challenges and changes around health care for seniors.

Noting the health needs of older Americans, Lois Quam, CEO of UnitedHealth Group's Ovations business focusing on seniors, stated, "As a result of their long history of providing quality services to seniors, PacifiCare's Secure Horizons has tremendous brand awareness and a leading national market position. We are delighted to unite our respective strengths in a joint mission to serve seniors at a time when the Medicare program is undergoing its greatest expansion and structural change in 40 years. We look forward to building on our combined resources, in partnership with the federal government, to improve health care for people with lifelong conditions, the frail elderly, disabled persons, and to provide service to rural and multicultural communities."

Dr. McGuire added, "This transaction expands the platform and presence to more fully advance capabilities, use technology to improve the customer experience, and support evidence-based care on behalf of our joint clients. Together, we intend to create best-in-class businesses and services available to people, regardless of where they live or travel, to better serve them in a wide range of situations. We are strengthening resources for employers by enhancing our capabilities on the Pacific Coast and in other Western states. We are broadening the scope of our product offerings for a host of specialized services. And we are capitalizing on our investments in technology, service infrastructure and transparency around clinical information to simplify and improve processes for people and care providers as they use and work within the health care system."

Completion of the merger is subject to regulatory approvals, approval by PacifiCare shareholders and other customary conditions. The companies have separately agreed to certain customary cooperation arrangements to facilitate service continuity and access for customer segments for both parties.

The transaction is expected to close in late 2005 or early 2006. Under the terms of the agreement, PacifiCare shareholders will receive UnitedHealth Group stock at a fixed exchange ratio of 1.10 shares for each PacifiCare share, plus $21.50 in cash per PacifiCare share. The total consideration for the transaction is a combination of approximately 111.6 million shares and $2.2 billion in cash. This mix of 73 percent equity and 27 percent cash consideration preserves UnitedHealth Group's long-standing balanced capital structure. UnitedHealth Group intends to retire $1.1 billion of PacifiCare debt at closing.

UnitedHealth Group anticipates its stand-alone earnings per share will grow by at least 15 percent in 2006 over 2005 results, without consideration of gains from UnitedHealth Group's own Medicare Part D programs or from the acquisition of PacifiCare. The acquisition will be immediately accretive to earnings per share upon closing, adding earnings of approximately $0.05 to $0.06 per share in the first 12 months, excluding any impact from stand-alone Medicare Part D

prescription drug programs or from operational synergies.

Conference Call

Dr. McGuire, Howard Phanstiel and members of senior management from both companies will further discuss the strategic and financial aspects of this combination in a public conference call this afternoon. Details are as follows:

Time:	5:00 p.m. Eastern Daylight Time
Domestic Dial-in:	800-515-2563
International Dial-in:	706-679-5262
Pass Code:	None

The conference call meeting will be broadcast live on UnitedHealth Group's Web site at www.unitedhealthgroup.com. A replay will be available beginning at 12:00 a.m. Eastern Daylight Time on July 7 until 12:00 p.m. Eastern Daylight Time on July 10, 2005. The replay can be accessed by dialing 800-642-1687 (domestic) or 706-645-9291 (international) and using pass code 7683676.

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About UnitedHealth Group

UnitedHealth Group (www.unitedhealthgroup.com) is a diversified health and well-being company dedicated to making health care work better. Headquartered in Minneapolis, Minn., UnitedHealth Group offers a broad spectrum of products and services through six operating businesses: UnitedHealthcare, Ovations, AmeriChoice, Uniprise, Specialized Care Services and Ingenix. Through its family of businesses, UnitedHealth Group serves approximately 55 million individuals nationwide.

About PacifiCare Health Systems, Inc.

PacifiCare Health Systems is one of the nation's largest consumer health organizations with nearly 3.2 million health plan members and approximately 11.3 million specialty plan members nationwide. PacifiCare offers individuals, employers and Medicare beneficiaries a variety of consumer-driven health care and life insurance products. Specialty plan operations include behavioral health, dental and vision, and complete pharmacy benefit management through its wholly owned subsidiary, Prescription Solutions. More information on PacifiCare Health Systems is available at http://www.pacificare.com/.

Important Merger Information

In connection with the proposed transactions, UnitedHealth Group and PacifiCare intend to file relevant materials with the Securities and Exchange Commission (SEC), including one or more registration statement(s) that contain a prospectus and proxy statement. Because those documents will contain important information, holders of PacifiCare common stock are urged to read them, if and when they become available. When filed with the SEC, they will be available for free (along with any other documents and reports filed by UnitedHealth Group and PacifiCare with the SEC) at the SEC's Web site, www.sec.gov, and PacifiCare stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from PacifiCare. Such documents are not

currently available.

UnitedHealth Group and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of PacifiCare common stock in connection with the proposed transactions. Information about the directors and executive officers of UnitedHealth Group is set forth in the proxy statement for UnitedHealth Group's 2005 Annual Meeting of Stockholders, which was filed with the SEC on April 7, 2005. Investors may obtain additional information regarding the interest of such participants by reading the prospectus and proxy solicitation statement if and when it becomes available.

<PAGE>
UnitedHealth Group and PacifiCare Health Systems - Continued

PacifiCare and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of PacifiCare common stock in connection with the proposed transaction. Information about the directors and executive officers of PacifiCare and their ownership of PacifiCare common stock is set forth in the proxy statement for PacifiCare's 2005 Annual Meeting of Stockholders, which was filed with the SEC on April 13, 2005. Investors may obtain additional information regarding the interests of such participants by reading the prospectus and proxy solicitation statement if and when it becomes available.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward-Looking Statements

This news release may contain statements, estimates or projections that constitute "forward-looking" statements as defined under U.S. federal securities laws. Generally the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. A list and description of some of the risks and uncertainties can be found in our reports filed with the Securities and Exchange Commission from time to time, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Except to the extent otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements.

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NEWSRELEASE

UnitedHealth Group Incorporated

Sierra Health Services, Inc.

	UnitedHealth Group	Sierra Health Services
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	John Penshorn Senior Vice President 952-936-7214	Peter O'Neill Vice President Public & Investor Relations 702-242-7156
Media:	Don Nathan 952-936-1885	

(For Immediate Release)

UNITEDHEALTH GROUP SIGNS DEFINITIVE AGREEMENT TO ACQUIRE SIERRA HEALTH SERVICES, INC.

- **Sierra Strengthens UnitedHealth Group Position in Fast-Growing Southwest Region**
- **Combination Broadens Senior Health Capabilities in Attractive Region for Retirees**
- **Brings Data Assets and Technology Resources that Support and Advance Sierra's Long-standing Commitment to Quality Care**
- **UnitedHealth Group Reaffirms Plans for $4.0 Billion to $4.5 Billion Share Repurchase in 2007**

Minneapolis, Minnesota and Las Vegas, Nevada (March 12, 2007) – UnitedHealth Group (NYSE: UNH) and Sierra Health Services, Inc. (NYSE: SIE) (Sierra) today announced that they have signed a definitive merger agreement under which UnitedHealth Group will acquire all of the outstanding shares of Sierra, a diversified health care services company based in Las Vegas, for $43.50 per share in cash, representing a total equity value of $2.6 billion. The transaction, which has been approved by the Boards of Directors of both companies and is expected to close by the end of 2007 or sooner, is subject to state and federal regulatory approvals, including in Nevada, California and Texas, approval by Sierra's stockholders, and other customary conditions.

"We have completed extensive due diligence, and expect Sierra's positive performance to continue," said Mike Mikan, chief financial officer of UnitedHealth Group. "Sierra is a financially strong organization with very stable operations and systems, and has a long and well-recognized history of consistently and profitably delivering high-quality, affordable health care in Nevada."

Sierra is a leading provider of health benefits and services, serving approximately 310,000 employer-sponsored health plan members in Nevada and 320,000 people in senior and government programs throughout the United States. The combined business in the Nevada region will continue under the leadership of Sierra's chairman and chief executive officer Anthony M. Marlon, M.D. and his management team. The transaction combines Sierra's broad local networks of high-quality health care providers and services with UnitedHealth Group's organized system of care providers and clinical centers of excellence programs throughout the United States, its significant capabilities and technologies to support consumers, and its leadership role in making the health care system work better for all constituents.

UnitedHealth Group president and chief executive officer Stephen J. Hemsley said, "Combining UnitedHealthcare and Sierra brings together two strong and innovative companies that each have a heritage of providing consumers access to

affordable, quality medical care. The combined enterprise will have the scale, resources and commitment to offer the most comprehensive range of affordable services to our clients in the Southwest, as well as for clients with business interests across the country.

"Sierra's clinical operations are led by the physicians of its affiliate, Southwest Medical Associates, which is Nevada's largest multi-specialty medical group practice," Hemsley continued. "They have long provided strong leadership around the delivery of quality care. We see significant opportunities to learn from them and to leverage their expertise in combination with our leading data assets to gain clinical insights that will be useful in a wide variety of broader care delivery settings in our network-based care model."

Dr. Marlon, the founder of Sierra, said, "United's national scope, reputation for affordable, quality product design and overall credibility with decision-makers assure me that the best interests of our customers, providers and employees will be considered. The key to Sierra's success over the past 25 years has always been our exceptional people and their promise to provide consumers with quality health care. These attributes have contributed to Sierra's positive reputation in Nevada and to the value the Company has created for its shareholders. This merger is the next step in continuing that promise, and we are confident that this combination will generate significant benefits for all of our stakeholders as we work to improve the delivery of care across the health care system."

UnitedHealth Group sees this business combination creating opportunities in a number of areas:

- The full spectrum of health benefit programs and services for commercial and governmental employers – ranging from large multisite corporations to small local businesses – as well as for individuals;
- The most extensive portfolio of services to address the needs of participants in government-sponsored programs, including older Americans in a variety of Medicare programs and Nevada state Medicaid beneficiaries;
- Diversified services dedicated to specialized health care needs such as behavioral, dental, vision and pharmaceutical benefits.

The addition of Sierra further complements UnitedHealth Group's businesses in the high-growth Southwest region. The U.S. Census Bureau estimates that Nevada was the second fastest-growing state in 2006 – after ranking number one for population growth percentage in each of the 19 previous years. UnitedHealth Group already has solid market positions in the adjacent growth states of Arizona, California, Colorado and Utah.

David Wichmann, president of UnitedHealth Group's individual and employer markets business group, which includes its UnitedHealthcare business, said, "The assets, brands and reputations of Sierra and Southwest Medical Associates will significantly strengthen our growth platform in the region. Sierra is widely recognized as the best-in-class local health benefits provider in Nevada. We have immense respect for Dr. Marlon and his management team and the 3,000 dedicated employees of Sierra, and we look forward to welcoming them into the UnitedHealth Group family."

Under the agreement a wholly owned subsidiary of UnitedHealthcare, a UnitedHealth Group company, will merge with Sierra. The merger agreement requires Sierra to pay UnitedHealth Group a termination fee of approximately $85 million in the event the merger is not consummated for certain specified reasons, such as Sierra's Board of Directors changing its recommendation of the merger.

UnitedHealth Group anticipates the acquisition will be immediately accretive to earnings per share upon closing, adding earnings of approximately $0.04 per share in the first 12 months without consideration of any potential synergies. UnitedHealth Group will not include these earnings gains in its financial outlook until the transaction has closed. UnitedHealth Group also expects the combined company to realize operating enhancements that will provide additional value for all constituents, including shareholders. Financial synergies are expected to contribute up to $30 million in additional operating earnings to combined company results in calendar 2008, with additional gains to follow in subsequent years. The transaction will be financed by UnitedHealth Group with cash on hand, cash flows from operations and normal capital market activities. Separately, UnitedHealth Group reiterated that it plans to buy back approximately $4.0 billion to $4.5 billion in stock in 2007 under its ongoing share repurchase program.

Sierra Health Services and UnitedHealth Group were served on this agreement by financial advisors Lehman Brothers and J.P. Morgan, respectively.

About UnitedHealth Group
UnitedHealth Group (www.unitedhealthgroup.com) is a diversified health and well-being company dedicated to making

health care work better. Headquartered in Minneapolis, Minn., UnitedHealth Group offers a broad spectrum of products and services through six operating businesses: UnitedHealthcare, Ovations, AmeriChoice, Uniprise, Specialized Care Services and Ingenix. Through its family of businesses, UnitedHealth Group serves approximately 70 million individuals nationwide.

About Sierra Health Services, Inc.
Sierra Health Services, Inc. based in Las Vegas, is a diversified health care services company that operates health maintenance organizations, indemnity insurers, preferred provider organizations, prescription drug plans and multi-specialty medical groups. Sierra's subsidiaries serve more than 850,000 people through health benefit plans for employers, government programs and individuals. For more information, visit Sierra's Web site at www.sierrahealth.com.

Important Merger Information
In connection with the proposed transactions, UnitedHealth Group and Sierra intend to file relevant materials with the Securities and Exchange Commission (SEC), including, in the case of Sierra, a proxy statement and other proxy solicitation materials. Because those documents will contain important information, holders of Sierra common stock are urged to read them, if and when they become available. When filed with the SEC, they will be available for free (along with any other documents and reports filed by UnitedHealth Group and Sierra with the SEC) at the SEC's Web site, www.sec.gov, and Sierra stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from Sierra. Such documents are not currently available.

UnitedHealth Group and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Sierra common stock in connection with the proposed transactions. Information about the directors and executive officers of UnitedHealth Group is set forth in the proxy statement for UnitedHealth Group's 2006 Annual Meeting of Stockholders, which was filed with the SEC on April 26, 2006. Investors may obtain additional information regarding the interest of such participants by reading the prospectus and proxy solicitation statement if and when it becomes available.

Sierra and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Sierra common stock in connection with the proposed transaction. Information about the directors and executive officers of Sierra and their ownership of Sierra common stock is set forth in the proxy statement for Sierra's 2006 Annual Meeting of Stockholders, which was filed with the SEC on April 13, 2006. Investors may obtain additional information regarding the interests of such participants by reading the proxy statement and other proxy solicitation materials when they become available.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward-Looking Statements
This news release may contain statements, estimates, projections, guidance or outlook that constitute "forward-looking" statements as defined under U.S. federal securities laws. Generally the words "believe," "expect," "intend," "estimate," "anticipate," "plan," "project," "will" and similar expressions, identify forward-looking statements, which generally are not historical in nature. These statements may contain information about financial prospects, economic conditions, trends and unknown certainties. We caution that actual results could differ materially from those that management expects, depending on the outcome of certain factors. These forward-looking statements involve risks and uncertainties that may cause UnitedHealth Group's actual results to differ materially from the results discussed in the forward-looking statements. Some factors that could cause results to differ materially from the forward-looking statements include: the potential consequences of the findings announced on October 15, 2006 of the investigation by an Independent Committee of directors of our historic stock option practices, the consequences of the restatement of our previous financial statements, related governmental reviews, including a formal investigation by the SEC, and review by the IRS, U.S. Congressional committees, U.S. Attorney for the Southern District of New York and Minnesota Attorney General, a related review by the Special Litigation Committee of the Company, and related shareholder derivative actions, shareholder demands and purported securities and Employee Retirement Income Security Act (ERISA) class actions, the resolution of matters currently subject to an injunction issued by the United States District Court for the District of Minnesota, a purported notice of acceleration with respect to certain of the Company's debt securities based upon an alleged event of default under the indenture governing such securities, and recent management and director changes, and the potential impact of each of these matters on our business, credit ratings and debt; increases in health care costs that are higher than we anticipated in establishing our premium rates, including increased consumption of or costs of medical services; heightened

competition as a result of new entrants into our market, and consolidation of health care companies and suppliers; events that may negatively affect our contract with AARP; uncertainties regarding changes in Medicare, including coordination of information systems and accuracy of certain assumptions; funding risks with respect to revenues received from Medicare and Medicaid programs; increases in costs and other liabilities associated with increased litigation, legislative activity and government regulation and review of our industry; our ability to execute contracts on competitive terms with physicians, hospitals and other service providers; regulatory and other risks associated with the pharmacy benefits management industry; failure to maintain effective and efficient information systems, which could result in the loss of existing customers, difficulties in attracting new customers, difficulties in determining medical costs estimates and appropriate pricing, customer and physician and health care provider disputes, regulatory violations, increases in operating costs, or other adverse consequences; possible impairment of the value of our intangible assets if future results do not adequately support goodwill and intangible assets recorded for businesses that we acquire; potential noncompliance by our business associates with patient privacy data; misappropriation of our proprietary technology; and anticipated benefits of acquisitions that may not be realized.

This list of important factors is not intended to be exhaustive. A further list and description of some of these risks and uncertainties can be found in both companies' reports filed with the Securities and Exchange Commission from time to time, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Any or all forward-looking statements we make may turn out to be wrong. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Except to the extent otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements.

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Coventry Health Care to Aquire Mercy Health Plans

June 30, 2010

Coventry Health Care, Inc., (Coventry) has signed a definitive agreement with the Sisters of Mercy Health System (Mercy) to acquire ownership of Mercy Health Plans (MHP), a health insurance subsidiary with approximately 160,000 enrolled members in Missouri and Arkansas. The sale of MHP to Coventry is expected to be completed within the next 90 to 120 days, pending regulatory approvals.

MHP was established by Mercy in 1994 and has operations in several of the markets served by Mercy, with a strong presence in St. Louis and southwest Missouri.

"After giving thoughtful consideration to our future strategies as a healthcare organization, Mercy's board and leadership have determined that our core mission is best served by focusing on providing healthcare services to our communities," said Lynn Britton, Mercy president and CEO. "Likewise, MHP's progress as a health insurance company will be strengthened by being aligned with an organization focused solely on serving the needs of health plan members."

"I am pleased to announce this transaction which strengthens Coventry's presence in the Missouri market while also expanding our relationship with a premier multi-state health system, Sisters of Mercy Health System," said Allen F. Wise, chief executive officer of Coventry. "This acquisition reaffirms Coventry's commitment to broadening its health plan footprint and is consistent with our focus on our seven core businesses. Mercy Health Plans' businesses are ones that we understand well and we are confident that they will increase shareholder value over the long term."

The majority of MHP's approximately 420 co-workers will become employees of Coventry as part of the transaction. Coventry operates as Group Health Plan (GHP) for commercial and Medicare products and HCUSA for Medicaid products in the St. Louis area and as Coventry Health Care in other markets served by Mercy. Upon completion of the transaction, Coventry will serve more than 1.2 million members in a six-state Midwest region.

Health plan coverage for individuals and companies who are MHP members will not change through the duration of their current contract periods as a result of this transaction. Seniors covered by MHP's Medicare Advantage plans will continue to be covered under these plans.

Financial terms were not disclosed.

About Coventry

Coventry Health Care (http://www.coventryhealthcare.com) is a diversified national managed healthcare company based in Bethesda, Maryland, operating health plans, insurance companies, network rental and workers' compensation services companies. Coventry provides a full range of risk and fee-based managed care products and services to a broad cross section of individuals, employer and government-funded groups, government agencies, and other insurance carriers and administrators.

About Mercy Health Plans

Mercy Health Plans, a subsidiary of the Sisters of Mercy Health System, offers customized health benefit solutions, administrative services and insurance coverage for employer groups, Medicare eligible members, and individuals and families. Headquartered in Chesterfield, Mo., Mercy Health Plans also provides a full spectrum of healthcare management services, including health and wellness and disease management programs.

About Sisters of Mercy Health System

The Sisters of Mercy Health System (Mercy) sponsors healthcare services in four states including Arkansas, Kansas, Missouri and Oklahoma. Members include 26 acute care hospitals with more than 4,000 licensed beds, three heart hospitals, a rehabilitation hospital, physician practices and a health plan. Care and services are provided by 36,000 co-workers and 4,600 physicians who are employed or practice at Mercy facilities. Mercy is the 8th largest Catholic healthcare

system in the U.S. based on net patient service revenue. Mercy is sponsored by Mercy Health Ministry, an entity established by the Catholic Church to oversee the healing ministry and Catholic identity of Mercy.

Files:

Mercy logo (https://www.mercy.net/sites/default/files/files/mercy-logo-207.jpg)

Newsroom Resources

- Media Contacts (/newsroom-media-contacts)
- Quick Facts (/newsroom-mercy-quick-facts)
- Arkansas (#)
- Kansas (#)
- Louisiana (#)
- Missouri (#)
- Oklahoma (#)
- Texas (#)

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NEWS RELEASE

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CIGNA TO ACQUIRE HEALTHSPRING

- **Cigna Adds Industry Leading Medicare Solution to Its Global Portfolio**
- **Combination Highly Aligned with Expanded Consumer Strategy in a High Growth Segment**
- **Leverages Shared Commitment to Innovation and Clinical Excellence**
- **Customers Continue to Benefit from Best-in-Class Physician Engagement and Access a Broader Portfolio of Services**
- **Accretive to Earnings and Improves Long Term Growth Profile for Cigna Shareholders**

BLOOMFIELD, CT and NASHVILLE, TN, October 24, 2011 – Cigna Corporation (NYSE: CI) and HealthSpring, Inc. (NYSE: HS) today announced that they have signed a definitive agreement under which Cigna will acquire all the outstanding shares of HealthSpring, Inc. for $55 per share in cash, a 37% premium over the closing stock price on Friday October 21, 2011, representing a total transaction value of approximately $3.8 billion. HealthSpring's proven leadership team, headed by its Chairman and Chief Executive Officer Herb Fritch, will lead Cigna's expansion in our rapidly growing Seniors and Medicare segments. The business combination is expected to be accretive to Cigna earnings per share in the first full year of operations. The agreement has been approved by the boards of directors of both companies and is subject to required regulatory approvals and customary closing conditions. The transaction is expected to close during the first half of 2012 and is not subject to a financing condition.

"HealthSpring is a great fit with Cigna's growth plans to expand into the Seniors and Medicare segment through a premier business and trusted brand name," said David M. Cordani, President and Chief Executive Officer. "Our two companies share a common strategic vision and philosophy that we create customer value by partnering with health care professionals, and use information and incentives to deliver high-quality, differentiated programs."

"We are thrilled to announce this transaction with Cigna," said Herb Fritch. "Following a review undertaken by our Board of Directors of the company's strategic options, we concluded that the combination is in the best interests of our shareholders. The combination will also expand our ability to serve our physician partners and customers. Cigna recognizes the value in HealthSpring's differentiated model of physician engagement, and shares our commitment to

providing high quality, cost effective care to the members and communities we serve. We truly look forward to continuing and expanding upon this mission."

The combination provides Cigna with several significant opportunities to further expand upon its successful growth strategy:

- Scaled presence in the highly-attractive Seniors segment, with a highly differentiated Medicare Advantage business that currently has approximately 340,000 Medicare Advantage members in 11 states and Washington, D.C., as well as a large, national stand-alone Medicare prescription drug business with over 800,000 customers;

- One of the most trusted and well-respected brands offering Seniors quality care through its highly differentiated physician partnerships;

- Future growth opportunities to expand HealthSpring's customer base by leveraging Cigna's current client relationships and to further the expansion of HealthSpring into new geographic regions, leveraging Cigna's nationwide presence, customer base and distribution capabilities;

- Ability to offer Cigna's current commercial and individual customers the opportunity to experience HealthSpring's differentiated physician coordination model; and

- Further leverage Cigna's diverse portfolio of specialty programs for the benefit of HealthSpring's customers.

"HealthSpring's talented team, led by Herb and his senior leadership team, have built an innovative business and a strong reputation for service excellence, while effectively partnering with health care professionals to deliver differentiated value and quality to the individuals they serve," continued David M. Cordani. "By combining our businesses, we have an opportunity to create substantial value for our customers, shareholders, employees and other key stakeholders as we extend our health solutions and programs across the government, employer-sponsored and consumer segments."

Consistent with its strategy, Cigna expects to continue to create meaningful near-term earnings growth and expects this transaction to enhance its revenue growth and profitability over time. Cigna has obtained a commitment for bridge financing provided by Morgan Stanley that, combined with available liquidity, is sufficient to fund the acquisition. Cigna intends to raise approximately 20% of the purchase price through the issuance of new equity, with the balance funded from additional debt issuance and internal cash resources. This permanent financing structure is expected to enable Cigna to maintain its financial flexibility, a strong balance sheet and its current credit ratings.

Cigna noted that it is filing this morning a Form 8-K that will outline its increased outlook for its 2011 full year results, as well as detailing certain third quarter information ahead of its full earnings announcement scheduled for October 28, 2011.

Cigna's financial adviser is Morgan Stanley and its legal adviser is Davis Polk. Goldman, Sachs & Co. is acting as financial adviser to HealthSpring, and its legal advisers are Skadden, Arps, Slate, Meagher & Flom, LLP and Bass, Berry & Sims PLC.

Conference Call

Cigna will be hosting a conference call this morning, beginning at 8:45 a.m. ET to discuss the acquisition of HealthSpring. The call-in numbers for the conference call are as follows:

Live Call
(877) 419-6600 (Domestic)
(719) 325-4759 (International)
Passcode: 3305644

Replay
(888) 203-1112 (Domestic)
(719) 457-0820 (International)
Passcode: 3305644

It is strongly suggested you dial in to the conference call by 8:30 a.m. ET. The operator will periodically provide instructions regarding the call. Additionally, the conference call will be available on a live Internet web cast at http://www.cigna.com under Investors, Investor Events section or at http:// http://www.media-server.com/m/p/w27n7p9m. Please note that this feature will be in listen-only mode.

About Cigna
Cigna is a global health service company dedicated to helping people improve their health, well-being and sense of security. Cigna Corporation's operating subsidiaries in the United States provide an integrated suite of health services, such as medical, dental, behavioral health, pharmacy and vision care benefits, as well as group life, accident and disability insurance. Cigna maintains sales capability in 30 countries and jurisdictions and has approximately 66 million customer relationships throughout the world. All products and services are provided exclusively by such operating subsidiaries and not by Cigna Corporation. Such operating subsidiaries include Cigna Health and Life Insurance Company, Cigna Life Insurance Company of New York, Connecticut General Life Insurance Company and Life Insurance Company of North America.

About HealthSpring
HealthSpring is based in Nashville, Tennessee, and is one of the country's largest Medicare Advantage coordinated care plans. HealthSpring currently owns and operates Medicare Advantage plans in Alabama, Delaware, Florida, Georgia, Illinois, Maryland, Mississippi, New Jersey, Pennsylvania, Tennessee, Texas and Washington, D.C. Beginning in 2012, the Company will also operate Medicare Advantage plans in West Virginia. HealthSpring also offers a national stand-alone Medicare prescription drug plan. For more information, visit http://www.healthspring.com/.

CIGNA'S CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
Cigna Corporation and its subsidiaries (the "Company") and its representatives may from time to time make written and oral forward-looking statements, including statements contained in press releases, in the Company's filings with the Securities and Exchange Commission, in its reports to shareholders and in meetings with analysts and investors. Forward-looking statements may contain information about financial prospects, economic conditions, trends and other uncertainties. These forward-looking statements are based on management's beliefs and assumptions and on information available to management at the time the statements are or were made. Forward-looking statements include but are not limited to the information concerning possible or assumed future business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, trends and, in particular, the Company's strategic initiatives, litigation and other legal matters, operational improvement initiatives in its Health Care operations, and the outlook for the Company's full year 2011 and beyond

results. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe", "expect", "plan", "intend", "anticipate", "estimate", "predict", "potential", "may", "should" or similar expressions.

By their nature, forward-looking statements: (i) speak only as of the date they are made, (ii) are not guarantees of future performance or results and (iii) are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from those forward-looking statements as a result of a variety of factors. Some factors that could cause actual results to differ materially from the forward-looking statements include:

1. the ability of the parties to satisfy conditions to the closing of the transaction with HealthSpring, including obtaining required regulatory approvals and the approval of HealthSpring stockholders;
2. the possibility that HealthSpring may be adversely affected by economic, business and/or competitive factors before or after closing of the transaction;
3. the ability to successfully complete the integration of acquired businesses, including the businesses being acquired from HealthSpring by, among other things, operating Medicare Advantage coordinated care plans and HealthSpring's prescription drug plan, retaining and growing membership, realizing revenue, expense and other synergies, renewing contracts on competitive terms, successfully leveraging the information technology platform of the acquired businesses, and retaining key personnel;
4. the ability of the Company to execute its growth plans by successfully leveraging its capabilities and those of the businesses being acquired in serving the Seniors segment;
5. any adverse effect to the Company's business or the business being acquired from HealthSpring due to uncertainty relating to the transaction; and
6. the Company's plans to permanently finance the acquisition with internal cash resources and through issuance of new equity; and additional debt that would remain outstanding even if the transaction was ultimately not completed.

This list of important factors is not intended to be exhaustive. Other sections of the Company's most recent Annual Report on Form 10-K, including the "Risk Factors" section, the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011, and other documents filed with the Securities and Exchange Commission include both expanded discussion of these factors and additional risk factors and uncertainties that could preclude the Company from realizing the forward-looking statements. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Additional Information and Where to Find It

This communication is being made in respect of the proposed transaction involving HealthSpring and Cigna. The proposed transaction will be submitted to the stockholders of HealthSpring for their consideration. In connection with the proposed transaction, HealthSpring will prepare a proxy statement to be filed with the Securities and Exchange Commission (the "SEC"). HealthSpring and Cigna plan to file with the SEC other documents regarding the proposed transaction. STOCKHOLDERS OF HEALTHSPRING ARE URGED TO READ THE PROXY STATEMENT REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The final proxy statement will be mailed to HealthSpring's stockholders. You may obtain copies of all documents filed with the SEC concerning the proposed transaction, free of charge, at the SEC's website at www.sec.gov. In addition, stockholders may obtain free copies of the documents filed with the SEC by HealthSpring by going to the Company's Investor Relations website page at www.healthspring.com or by sending a written request to the Company's Secretary at HealthSpring, Inc., 9009 Carothers Parkway, Suite 501, Franklin, Tennessee 37067, or by calling the Secretary at (615) 291-7000.

Interests of Participants

HealthSpring and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of the Company in connection with the proposed transaction. Information regarding the Company's directors and executive officers is set forth in the Company's proxy statement for its 2011 annual meeting of stockholders and its Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as amended by Amendment No. 1 on Form 10-K/A, which were filed with the SEC on April 15, 2011, February 25, 2011 and September 22, 2011, respectively. Additional information

regarding persons who may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction will be contained in the proxy statement to be filed by the Company with the SEC when it becomes available.

HealthSpring's Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this communication that are not historical fact are forward-looking statements which HealthSpring intends to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend on or relate to future events or conditions, or that include words such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," and similar expressions are forward-looking statements. The forward-looking statements involve significant known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements, and undue reliance should not be placed on such statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, among other things, the following risks and uncertainties: the failure to receive, on a timely basis or otherwise, the required approvals by HealthSpring's stockholders and government or regulatory agencies; the risk that a condition to closing of the proposed transaction may not be satisfied; HealthSpring's and Cigna's ability to consummate the Merger, including the financing thereof; the possibility that the anticipated benefits and synergies from the proposed transaction cannot be fully realized or may take longer to realize than expected; the failure to obtain the necessary debt financing arrangements set forth in the commitment letter received in connection with the Merger; the possibility that costs or difficulties related to the integration of the Company and Cigna operations will be greater than expected; operating costs and business disruption, including difficulties in maintaining relationships, may be greater than expected; the ability of the Company or the combined company to retain and hire key personnel and maintain relationships with providers or other business partners; the impact of legislative, regulatory and competitive changes and other risk factors relating to the industry in which the Company and Cigna operate, as detailed from time to time in each of the Company's and Cigna's reports filed with the SEC. There can be no assurance that the proposed transaction will in fact be consummated.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found under Item 1.A in of HealthSpring's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and Item 1.A of HealthSpring's most recent Quarterly Report on Form 10-Q for the quarter ended June 30, 2011. HealthSpring cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to the proposed transaction, stockholders and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to HealthSpring or any other person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. The forward-looking statements contained herein speak only as of the date of this communication. HealthSpring does not undertake any obligation to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, except as may be required by law.

Medicare Advantage Plans for Seniors

Get Medicare Advantage Quotes for 2015-2016

Home Health Insurance Quotes Medicare Advantage Quotes About Us

Arcadian Health ArcadianHealth.com Humana Merger

Arcadian Health a provider of medicare advantage insurance plans announced on August 25th that their company is in the process of being aquired by Humana Inc in a mutual agreeable buyout. Arcadian Health has focused on medium and small communities and built a sizable health care business mostly in the Southeast States.

Arcadian Health

Arcadian Health – Humana Merger

â€œWe are pleased that we were able to reach an agreement with Humana, and we feel this will ensure that our members will continue to receive the same quality and access to care as they have from Arcadian. Humana's long history in managed care and specifically Medicare Advantage was an important consideration in our decision to enter into this agreement said Robert Fahlman Chairman and Chief Executive Officer of Arcadian. The agreement concludes a process whereby Arcadian worked with the investment banking firm, Houlihan Lokey to find a Company that could offer synergy for Arcadian members and employees.

Humana aquires Oakland based Arcadian Health

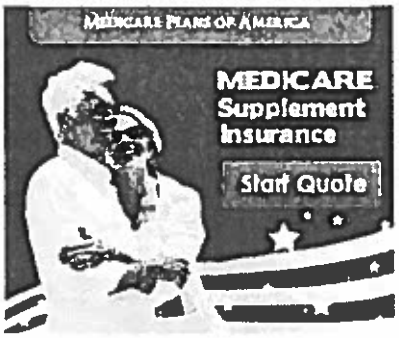
Humana To Acquire Arcadian Management Services

With 64,000 members and a revenue of $622 million in 2010. Search for Humana Medicare Plans in your state.

About Arcadian Health:

Arcadian Health, founded in 1997, provides Medicare Advantage coverage through its affiliates in the following 15 states: Arizona, Arkansas, California, Georgia, Louisiana, Maine, Missouri, New Hampshire, New York, North Carolina, Oklahoma, South Carolina, Texas, Virginia and Washington. The plans are offered under the following local product names: Arcadian Community Care (Louisiana and California), Arcadian Health Plan (Oklahoma), Arkansas Community Care, Columbia Community Care, Desert Canyon Community Care

MEDICARE SUPPLEMENT QUOTES



UNDER 65 HEALTH INSURANCE

DISCOUNT DENTAL HEALTH PLANS

Humana expands it's reach with purchase of Arcadian Health

Are you an Arcadian Health member? What has been your experience so far with Arcadian Health? Has the new Humana Medicare merger with Arcadian Health gone well for you as a member? Feel free to add your comments on this page.

Here are the latest updates on the Arcadian Health acquisition:

DOJ Files Suit To Stop Humana Arcadian Deal. Wall Street Journal. The US Justice Department said Tuesday it filed a civil suit to block Humana Inc. s HUM acquisition of health-management organization Arcadian Management Services unless the companies agree to divest certain parts of Arcadian's business to help Humana to Drop Arcadian Plans in Five States inSettlement Bloomberg. Justice Dept says it will require Humana Arcadian to divest some assets in 5 Washington Post. Posted March 27 2012 1 00 pm ET Modern Healthcare.com. The Cypress Times. all 129 news articles. DOJ Files Suit To Stop Humana Arcadian Deal Wall Street Journal

Humana Consents To Arcadian Divestitures In DOJ Pact. Fox Business. Humana Inc. HUM said Tuesday it reached an agreement with the US Department of Justice to divest certain parts of Arcadian Management Services to help preserve market competition as the agency raised concerns. Humana a health insurer DOJ Humana must divest assets to buy Arcadian Fierce Health Payer. all 3 news articles. Humana Consents To Arcadian Divestitures In DOJ Pact Fox Business

Humana Completes Acquisition of Arcadian Management Services. MarketWatch press release To resolve antitrust concerns Humana and Arcadian have entered into a consent agreement with the United States Department of Justice that will require divestiture of overlapping Medicare Advantage health plan business in eight areas within Arizona Department of Justice Requires Divestitures to Preserve Competition for JD Supra press release all 5 news articles. Humana Completes Acquisition of Arcadian Management Services MarketWatch press release

Humana agrees to divest to acquire Arcadian Healthcare business

Reference: http://www.arcadianhealth.com Arcadian Health website.

Arcadian Health Page updated Apr 9, 2012.

Related Posts:

Posted in Arcadian Health

« South Carolina Medicare Advantage Plans Tennessee Medicare Advantage Plans »

One Response to "Arcadian Health ArcadianHealth.com Humana Merger"

terrylee payne says:
April 8, 2012 at 2:42 pm
I will turn 65 in may and I am shopping for medicare part D coverage

Leave a Reply

Name (required)

Mail (will not be published) (required)

Website

Submit Comment

☐ Notify me of follow-up comments by email.

☐ Notify me of new posts by email.

EX-99.1 2 d457011dex991.htm PRESS RELEASE

Exhibit 99.1

PRESS RELEASE

WELLPOINT

WellPoint Completes Acquisition of Amerigroup

INDIANAPOLIS— December 24, 2012 — WellPoint, Inc. (NYSE: WLP) announced today the completion of its acquisition of Amerigroup Corporation, one of the nation's leading managed care companies that is focused on meeting the health care needs of financially vulnerable Americans.

"The acquisition advances our ability to more effectively and efficiently serve the growing Medicaid population, including the expanding dual eligible, seniors and persons with disabilities, and long-term services and support markets," said John Cannon, WellPoint's Interim President and CEO. "By leveraging our combined clinical capabilities, resources and expertise, WellPoint's competitive position in the Dual Eligible and Medicaid markets will be enhanced and will help create more value for state governments and their program beneficiaries."

With Amerigroup, WellPoint's affiliated Medicaid health plans now serve approximately 4.5 million beneficiaries of state sponsored health care programs in 20 states, bringing the company's total medical enrollment to approximately 36 million members in all affiliated plans. WellPoint also now has a presence in several states with significant dual eligible managed care opportunities.

Amerigroup will operate as a wholly owned subsidiary within WellPoint and will remain dedicated to effectively managing state sponsored programs and further expanding this business. Amerigroup's management team will lead the combined Medicaid businesses.

About WellPoint, Inc.

At WellPoint, we believe there is an important connection between our members' health and well-being—and the value we bring our customers and shareholders. So each day we work to improve the health of our members and their communities. And, we can make a real difference since we have approximately 36 million people in our affiliated health plans, and approximately 66 million people served through our subsidiaries. As an independent licensee of the Blue Cross

and Blue Shield Association, WellPoint serves members as the Blue Cross licensee for California; the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as the Blue Cross Blue Shield licensee in 10 New York City metropolitan and surrounding counties and as the Blue Cross or Blue Cross Blue Shield licensee in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), and Wisconsin. In a majority of these service areas, WellPoint's plans do business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia and Empire Blue Cross Blue Shield, or Empire Blue Cross (in the New York service areas). WellPoint also serves customers throughout the country as UniCare and in certain markets through our Amerigroup and CareMore subsidiaries. Our 1-800 CONTACTS, Inc. subsidiary offers customers online sales of contact lenses, eyeglasses and other ocular products. Additional information about WellPoint is available at www.wellpoint.com.

WellPoint Contacts:

Investor Relations
Doug Simpson, 212- 476-1473

Media
Jill Becher, 414-234-1573

8-K 1 dp38134_8k.htm FORM 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 7, 2013 (May 3, 2013)**

Aetna Inc.
(Exact name of registrant as specified in its charter)

Pennsylvania	**1-16095**	**23-2229683**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
151 Farmington Avenue, Hartford, CT (Address of principal executive offices)		**06156** (Zip Code)
Registrant's telephone number, including area code:		**(860) 273-0123**
Former name or former address, if changed since last report:		**N/A**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 – Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

On May 7, 2013, in connection with the completion of Aetna Inc.'s ("**Aetna's**") previously announced acquisition of Coventry Health Care, Inc. ("**Coventry**"), Aetna, Coventry and U.S. Bank National Association, as trustee (the "**Trustee**") entered into a First Supplemental Indenture (the "**Supplemental Indenture**") to the Indenture, dated as of January 28, 2005 (the "**Indenture**"), between Coventry and the Trustee. The Supplemental Indenture became effective upon the completion of Aetna's acquisition of Coventry. Pursuant to the Supplemental Indenture, Aetna guaranteed the full and punctual payment of all amounts payable under the 6.125% senior notes due 2015 issued pursuant to the Indenture (the "**Notes**") and the full and punctual payment of all other amounts payable by Coventry to the holders of Notes or the Trustee under the Indenture.

On May 6, 2013, the aggregate principal amount outstanding with respect to the Notes was approximately $229 million. The Notes accrue interest at a rate of 6.125% per year. Interest is payable semi-annually on January 15 and July 15 of each year, and interest payments commenced on July 15, 2005. The Notes will mature on January 15, 2015.

The foregoing summary of the Indenture, as amended by the Supplemental Indenture, does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Indenture and the Supplemental Indenture, which are attached as Exhibits 4.1 and 4.2 hereto, respectively, and incorporated herein by reference.

Section 2 – Financial Information

Item 2.01. Completion of Acquisition or Disposition of Assets.

On May 3, 2013, Aetna announced that the United States Department of Justice had cleared Aetna's proposed acquisition of Coventry.

On May 7, 2013, Aetna completed its acquisition of Coventry. Pursuant to the terms of the Agreement and Plan of Merger, dated as of August 19, 2012, by and among Aetna, Jaguar Merger Subsidiary, Inc., a wholly owned subsidiary of Aetna ("**Merger Sub**"), and Coventry (as previously amended, the "**Merger Agreement**"), Merger Sub merged with and into Coventry (the "**Merger**"), with Coventry continuing as the surviving corporation and a wholly owned subsidiary of Aetna.

At the effective time of the Merger (the "**Effective Time**"), each share of outstanding common stock of Coventry (including restricted shares, but not including shares held by Coventry as treasury stock) was converted into the right to receive $27.30 in cash, without interest, and 0.3885 of an Aetna common share. Additionally, substantially all of Coventry's outstanding stock options, performance share units and restricted stock units (all such awards, collectively, the "**Outstanding Awards**") were, pursuant to their terms, vested or became vested upon the Effective Time and were cancelled and converted into the right to receive cash.

In connection with the Merger, Aetna issued approximately 52.2 million common shares and paid an aggregate of approximately $3.8 billion in cash to former Coventry stockholders and Outstanding Award holders in exchange for their shares of Coventry common stock and Outstanding Awards, resulting in aggregate merger consideration to Coventry's former stockholders of approximately $6.9 billion. Aetna funded the cash portion of the purchase price through a combination of existing cash on hand and proceeds from the issuance of debt and commercial paper.

At the Effective Time, the estimated aggregate fair value of Coventry's long-term debt, including the Notes, was approximately $1.8 billion.

The foregoing summary of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Merger Agreement, including Amendment No. 1 to the Merger Agreement and Amendment No. 2 to the Merger Agreement, which are attached as Exhibit 2.1 to Aetna's Current Reports on Form 8-K filed with the Securities and Exchange Commission on August 22, 2012, October 22, 2012, and November 13, 2012, respectively, and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 to this Current Report is hereby incorporated in this Item 2.03 by reference.

The trustee of, or holders of not less than 25% in aggregate principal amount of, the Notes then outstanding may declare to be immediately due and payable the principal amount of all the Notes then outstanding, plus accrued but unpaid

interest on the Notes, if specified events of default occur and are continuing. Events of default include, with certain specified qualifications, the following events: the failure to make payment of interest on the Notes when due and payable; the failure to pay the principal of, or premium if any, on, any of the Notes when due and payable at its stated maturity, upon acceleration, required repurchase or otherwise; a default in the performance of, or breaches of other provisions of, the Indenture; upon cross-acceleration of greater than $20.0 million of certain other indebtedness that results in acceleration of the maturity of such indebtedness or upon judgment default of greater than $20.0 million; and certain events of bankruptcy, insolvency or reorganization relating to Coventry or any significant subsidiary of Coventry (in which case the principal amount of the Notes then outstanding, plus accrued but unpaid interest on the Notes will become immediately due and payable without any act on the part of the trustee or any holder of the Notes). In addition, within 30 days of a "change of control" (as defined in the Indenture) of Coventry, each holder of Notes has the right to require Coventry to repurchase all or any part of such holder's Note at a purchase price equal to 101% of the principal amount thereof, plus accrued but unpaid interest on such Notes to the purchase date.

The foregoing summary of the Indenture, as amended by the Supplemental Indenture, does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Indenture and the Supplemental Indenture, which are attached as Exhibits 4.1 and 4.2 hereto, respectively, and incorporated herein by reference.

Section 8 – Other Events

Item 8.01. Other Events.

The Coventry acquisition builds on Aetna's existing resources and capabilities, and increases Aetna's mix of business in higher-growth Government programs. As a result of the Merger, Aetna has added approximately 3.7 million medical members and 1.5 million Medicare Part D members; Aetna's Medicaid business has grown from 1.1 million to more than 2 million members; and Aetna's Medicaid footprint has expanded from 12 to 16 states.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The historical financial statements required by Item 9.01(a) of Form 8-K will be filed by amendment no later than 71 days after this Current Report on Form 8-K is required to be filed.

(b) Pro forma financial information.

The pro forma financial statements required by Item 9.01(b) of Form 8-K will be filed by amendment no later than 71 days after this Current Report on Form 8-K is required to be filed.

(d) Exhibits.

2.1 Agreement and Plan of Merger dated as of August 19, 2012 among Aetna Inc., Jaguar Merger Subsidiary, Inc. and Coventry Health Care, Inc. (incorporated by reference to Exhibit 2.1 to Aetna Inc.'s Current Report on Form 8-K filed on August 22, 2012).*

2.2 Amendment No. 1 to Agreement and Plan of Merger, dated as of October 17, 2012 among Aetna Inc., Jaguar Merger Subsidiary, Inc. and Coventry Health Care, Inc. (incorporated by reference to Exhibit 2.1 to Aetna Inc.'s Current Report on Form 8-K filed on October 22, 2012).*

2.3 Amendment No. 2 to Agreement and Plan of Merger, dated as of November 12, 2012, among Aetna Inc., Jaguar Merger Subsidiary, Inc. and Coventry Health Care, Inc. (incorporated by reference to Exhibit 2.1 to Aetna Inc.'s Current Report on Form 8-K filed on November 13, 2012).*

4.1 Indenture, dated as of January 28, 2005, between Coventry Health Care, Inc. and U.S. Bank National Association, as successor to Wachovia Bank, National Association (incorporated by reference to Exhibit 4.2 to Coventry Health Care, Inc.'s Current Report on Form 8-K filed on January 28, 2005).

4.2 First Supplemental Indenture, dated as of May 7, 2013, among Aetna Inc., Coventry Health Care, Inc. and U.S. Bank National Association.

* The schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Aetna agrees to furnish supplementally a copy of such schedules and exhibits, or any section thereof, to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Aetna Inc.

Date: May 7, 2013

By: /s/ Rajan Parmeswar
Name: Rajan Parmeswar
Title: Vice President, Controller and Chief Accounting Officer

INDEX TO EXHIBITS

Exhibit Number	Description
4.2	First Supplemental Indenture, dated as of May 7, 2013, among Aetna Inc., Coventry Health Care, Inc. and U.S. Bank National Association

EX-99.1 2 d32244dex991.htm EX-99.1

Exhibit 99.1

CENTENE

Health Net

CENTENE TO COMBINE WITH HEALTH NET IN TRANSACTION VALUED AT APPROXIMATELY $6.8 BILLION

Creates Leading Platform for Government-Sponsored Programs and One of the Largest Medicaid Managed Care Organizations in the Country

Broadens Presence to Build Scale and Drive Diversification

Transaction Expected to be Significantly Accretive to Centene's EPS in the First Year Following Close

Estimated to Achieve up to Approximately $150 Million in Annual Synergies by the Second Year Following Close

Companies to Host Conference Call at 8:30 AM ET

St. Louis, MO and Los Angeles, CA – July 2, 2015 – Centene Corporation (NYSE: CNC) and Health Net, Inc. (NYSE: HNT) announced that the Boards of Directors of both companies have unanimously approved a definitive agreement under which Centene will acquire all of the shares of Health Net in a cash and stock transaction valued at approximately $6.8 billion, including the assumption of approximately $500 million of debt.

The combination of Centene and Health Net would create a leading diversified multi-national healthcare enterprise with more than ten million members across the country and estimated 2015 pro forma premium and service revenues of approximately $37 billion. Centene is expected to continue to deliver attractive growth by offering a more comprehensive and scalable portfolio of innovative solutions focusing on uninsured and under-insured individuals, including participation in Medicare Advantage, TRICARE, and Veterans Affairs programs. The companies believe that the addition of Health Net's high-quality Medicare platform to Centene's Medicaid programs provides an opportunity for additional growth across the combined company's markets. Health Net's demonstrated commitment to risk-based provider arrangements is reflective of the market shift from volume to value and is anticipated to enhance Centene's leading position in high quality, low cost access to government-sponsored programs. With increased scale and diversification, Centene expects to deploy its full portfolio of specialty services and provide an integrated offering that benefits its members, providers and other stakeholders.

Under the terms of the agreement, Health Net shareholders would receive 0.622 shares of Centene common stock and $28.25 in cash for each share of Health Net common stock. Based on Centene's closing stock price on July 1, 2015, the implied consideration of $78.57 per share represents a premium of approximately 21% over Health Net's closing stock price on July 1, 2015, and of approximately 26% on June 1, 2015. Upon completion of the transaction, Centene shareholders would own approximately 71% of the combined entity, with Health Net shareholders owning approximately 29%. The transaction is expected to be significantly accretive to Centene's diluted earnings per share in the first year following closing.

"We are pleased to have reached this agreement with Health Net, which we believe will create value for both Centene and Health Net shareholders and will enhance our ability to serve our members and work with our providers and government partners," said Michael F. Neidorff, Centene's Chairman, President

and Chief Executive Officer. "Over the past five years, Centene has achieved record performance and today's announcement is a significant next step in our strategy to increase scale and drive geographic and product diversification. This transaction ensures that we extend our competitive position as one of the largest plans covering government-sponsored programs in the country. Health Net's presence in California and other key western states is complementary to our offerings, allowing us to bring additional innovative solutions to the healthcare market. With Health Net, we see opportunities to leverage our local approach more broadly to enhance our members' access to higher quality healthcare services on a cost-effective basis and ensure measurable quality outcomes."

Mr. Neidorff continued, "We have tremendous respect for Health Net's management team and employees, and for all that they have accomplished. Given our scalable model and record of successfully integrating acquisitions, we expect to achieve a smooth transition. Together, we will build on both companies' shared commitment to working with providers and key community stakeholders to achieve better results for members and drive shareholder value."

Jay Gellert, Health Net's President and Chief Executive Officer, said, "Centene has an impressive record of serving populations that have been traditionally underserved in a high-quality and consumer-centered manner. Our successes complement Centene very well and will lead to better offerings in line with new consumer and payer demands. After closing, we will be a leading provider of managed health care services very much aligned with the future. We expect that Health Net associates will play a critical role in the future of the combined company."

Strategic and Financial Benefits of the Transaction

- **Addition of Incremental Scale:** The addition of Health Net's complementary network is expected to strengthen Centene's presence in the California Medicaid program, which is the country's largest with more than 12 million individuals. The transaction will provide Centene with access to California's dual demonstration program and expansion in other Medicaid and Medicare programs in the Western United States, including Arizona, Oregon and Washington. The combined company expects to have approximately six million Medicaid members, making it one of the largest Medicaid managed care organizations in the country. The combined company anticipates driving profitable growth by leveraging Centene's local approach that provides members access to high quality and culturally sensitive health care services.
- **Increased Product Diversity Provides Ability to Create a More Comprehensive Portfolio:** This transaction would extend Centene's offerings in government programs including Medicare, TRICARE, and U.S. Department of Veterans Affairs. The combined company would be positioned to provide its members access to more solutions, with opportunities for integrated specialty services across the entire enterprise. In particular, the combined company believes that Health Net's high quality Medicare platform, including its presence in Medicare Advantage, has the potential to be applied across the combined business thereby enhancing the growth strategy. Centene also believes there are opportunities to scale Health Net's programs that reach underserved communities and extend its business lines for this constituency. Both companies have demonstrated success focusing on the subsidized portion of the Health Insurance Marketplace. The companies believe that by focusing on these government programs, the combined company will enhance its innovative provider relationships that enable it to deliver affordable, accessible healthcare.
- **Strong Financial Profile and Significant Earnings Accretion:** Combined, Centene and Health Net are estimated to have 2015 pro forma annual premium and service revenues of approximately $37 billion. The transaction is expected to generate diluted earnings per share accretion of 10% and adjusted diluted earnings per share accretion of 20% in the first year following closing.

- **Significant Synergy Opportunities:** The combined company is estimated to achieve approximately $150 million of annual cost synergies by the second year following close with 50% achieved after year one following close. Synergies will come from areas including efficiencies in core G&A, integration of a range of specialty services and leveraging capabilities in IT systems and process management.

Organization and Management

Upon closing of the transaction, Mr. Neidorff will lead the combined company as Chairman, President and Chief Executive Officer. Mr. Gellert will assist to achieve a smooth transition. The combined company will be headquartered in St. Louis, Mo, the location of Centene's current headquarters, with operations throughout the country.

Financing and Approvals

Centene intends to fund the cash portion of the acquisition through a combination of existing cash on hand and debt financing. The transaction is not contingent upon financing, with Wells Fargo, N.A. providing $2.7 billion of financing commitment.

The transaction is expected to close by early 2016. It is subject to approval by Centene and Health Net shareholders, the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, approvals by relevant state insurance and healthcare regulators and other customary closing conditions.

Advisors

Allen & Company LLC and Evercore are serving as financial advisors to Centene, with Skadden, Arps, Slate, Meagher & Flom LLP serving as legal counsel. J.P. Morgan Securities Inc. LLC is serving as financial advisor to Health Net with Morgan, Lewis & Bockius LLP serving as legal counsel.

Conference Call

Centene and Health Net will host a conference call today, July 2, 2015, at 8:30 a.m. (Eastern Time) and will simultaneously broadcast it live over the Internet. The conference call can be accessed by dialing (866) 610-1072 (domestic) or (973) 935-2840 (international). An investor presentation, to be reviewed during the conference call, can be accessed via each company's investor relations website at www.centene.com/investors or www.healthnet.com/InvestorRelations. A telephonic replay of the conference call will be available immediately after the call and can be accessed by dialing (800) 585-8367, or for international callers, (404) 537-3406. The passcode for the live call and the replay is 77042984. The archive of the call replay will be available until July 16, 2015. The live webcast and archived replay can be accessed on both companies' investor relations websites. The online archive of the webcast will be available until July 2 of 2016.

About Centene

Centene Corporation, a Fortune 500 company, is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored healthcare programs, focusing on under-insured and uninsured individuals. Many receive benefits provided under Medicaid, including the State Children's Health Insurance Program (CHIP), as well as Aged, Blind or Disabled (ABD), Foster Care and Long

Term Care (LTC), in addition to other state-sponsored/hybrid programs and Medicare (Special Needs Plans). The Company operates local health plans and offers a range of health insurance solutions. It also contracts with other healthcare and commercial organizations to provide specialty services including behavioral health management, care management software, correctional healthcare services, dental benefits management, in-home health services, life and health management, managed vision, pharmacy benefits management, specialty pharmacy and telehealth services.

About Health Net

Health Net, Inc. (NYSE:HNT) is a publicly traded managed care organization that delivers managed health care services through health plans and government-sponsored managed care plans. Its mission is to help people be healthy, secure and comfortable. Health Net provides and administers health benefits to approximately 6.0 million individuals across the country through group, individual, Medicare (including the Medicare prescription drug benefit commonly referred to as "Part D"), Medicaid, dual eligible, U.S. Department of Defense, including TRICARE, and U.S. Department of Veterans Affairs programs. Health Net also offers behavioral health, substance abuse and employee assistance programs, and managed health care products related to prescription drugs.

For more information on Health Net, Inc., please visit Health Net's website at www.healthnet.com.

Forward Looking Statements

This press release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Centene, Health Net and the combined businesses of Centene and Health Net and certain plans and objectives of Centene and Health Net with respect thereto, including the expected benefits of the proposed merger. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aim", "continue", "will", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. There are several factors which could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, the expected closing date of the transaction; the possibility that the expected synergies and value creation from the proposed merger will not be realized, or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; disruption from the merger making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred; changes in economic conditions, political conditions, changes in federal or state laws or regulations, including the Patient Protection and Affordable Care Act and the Health Care Education Affordability Reconciliation Act and any regulations enacted thereunder, provider and state contract changes, the outcome of pending legal or regulatory proceedings, reduction in provider payments by governmental payors, the expiration of Centene's or Health Net's Medicare or Medicaid managed care contracts by federal or state governments and tax matters; the possibility that the merger does not close, including, but not limited to, due to the failure to satisfy the closing conditions, including the receipt of approval of both Centene's stockholders and Health Net's stockholders; the risk that financing for the transaction may not be available on favorable terms; and risks and uncertainties discussed in the reports that Centene and Health Net have filed with the Securities and Exchange Commission (the "SEC"). These forward-looking statements reflect Centene's and Health Net's current views with respect to future events and are based on numerous assumptions and assessments made by Centene and Health Net in light of their experience and perception of historical trends, current conditions, business strategies, operating environments, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this announcement could cause Centene's and Health Net's plans with respect to the proposed merger, actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this announcement. Neither Centene nor Health Net assumes any obligation to update the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law. A further list and description of risks and uncertainties can be found in Centene's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in its reports on Form 10-Q and Form 8-K as well as in Health Net's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in its reports on Form 10-Q and Form 8-K.

Additional Information and Where to Find It

The proposed merger transaction involving Centene and Health Net will be submitted to the respective stockholders of Centene and Health Net for their consideration. In connection with the proposed merger, Centene will prepare a registration statement on Form S-4 that will include a joint proxy statement/prospectus for the stockholders of Centene and Health Net to be filed with the SEC, and each will mail the joint proxy statement/prospectus to their respective stockholders and file other documents regarding the proposed transaction with the SEC. **Centene and Health Net urge investors and stockholders to read the joint proxy statement/prospectus when it becomes available, as well as other documents filed with the SEC, because they will contain important information.** Investors and security holders will be able to receive the registration statement containing the joint proxy statement/prospectus and other documents free of charge at the SEC's web site,

http://www.sec.gov. These documents can also be obtained (when they are available) free of charge from Centene upon written request to the Investor Relations Department, Centene Plaza 7700 Forsyth Blvd. St. Louis, MO 63105, (314) 725-4477 or from Centene's website, http://www.centene.com/investors/, or from Health Net upon written request to the Investor Relations Department, Health Net, Inc. 21650 Oxnard Street Woodland Hills, CA 91367, (800) 291-6911, or from Health Net's website, www.healthnet.com/InvestorRelations.

Participants in Solicitation

Centene, Health Net and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the respective stockholders of Centene and Health Net in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective stockholders of Centene and Health Net in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about Centene's executive officers and directors in its definitive proxy statement for its 2015 Annual Meeting of Stockholders, which was filed with the SEC on March 16, 2015. You can find information about Health Net's executive officers and directors in its definitive proxy statement for its 2015 Annual Meeting of Stockholders, which was filed with the SEC on March 26, 2015. You can obtain free copies of these documents from Centene and Health Net using the contact information above.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

Contacts

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For Health Net:

Investors
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 23, 2016 (March 22, 2016)

CENTENE CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware	001-31826	42-1406317
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

7700 Forsyth Blvd., St. Louis, Missouri	63105
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (314) 725-4477

(Former Name or Former Address, if Changed Since Last Report): N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events

As previously disclosed, Centene Corporation ("Centene") entered into an Agreement and Plan of Merger, dated as of July 2, 2015 (the "Merger Agreement"), by and among Centene, Health Net, Inc., a Delaware corporation ("Health Net"), Chopin Merger Sub I, Inc., a Delaware corporation and a direct wholly owned subsidiary of Centene ("Merger Sub I"), and Chopin Merger Sub II, Inc., a Delaware corporation and a direct wholly owned subsidiary of Centene ("Merger Sub II" and, together with Centene and Merger Sub I, the "Applicant"), pursuant to which Merger Sub I will merge with and into Health Net (the "Merger"), with Health Net surviving the Merger as the surviving corporation (the "Surviving Corporation") and, immediately following the Merger, the Surviving Corporation will merge with and into Merger Sub II (the "Second Merger" and, together with the Merger, the "Mergers"), with Merger Sub II surviving the Second Merger as the final surviving corporation, subject to the terms and conditions set forth in the Merger Agreement.

CDI Approval

On March 22, 2016, the California Department of Insurance ("CDI") announced that it had issued an order approving the change in control of Health Net Life Insurance Company ("HNLIC"), a wholly owned subsidiary of Health Net (the "CDI Approval Order"). This change of control will occur upon the completion of the Mergers. The CDI Approval Order was issued in connection with the Applicant's application (known as a "Form A") that the Applicant previously filed with CDI in connection with the Mergers.

In connection with the Form A, Centene, Health Net, HNLIC and, with respect to select provisions, Health Net of California, Inc. (collectively, the "Companies") executed a "Stipulation and Undertakings" with CDI (the "CDI Undertakings"). A copy of the CDI Undertakings, excluding the Confidential Appendix thereto which modifies and supplements certain of the undertakings, is attached hereto as Exhibit 99.1 and is incorporated by reference herein. The CDI Undertakings contain various commitments by the Companies that will be effective upon completion of the Mergers, including, but not limited to, the following:

- Merger Costs (as defined in the CDI Undertakings) and Director and Executive Officer Compensation (as defined in the CDI Undertakings) will not be factored into premiums, co-payments, deductible amounts and other similar types of costs charged to policyholders of HNLIC;
- HNLIC will not pay any dividends or other similar distributions if such actions would cause HNLIC's Total Adjusted Capital (as defined in the CDI Undertakings) to be less than the Agreed Minimum RBC Level;
- Centene will provide capital support to HNLIC as necessary for HNLIC to maintain the Agreed Minimum RBC Level;
- The Companies will increase the number of covered lives in HNLIC's California health insurance products;
- Subject to certain limited exceptions, the Companies will not apply to transfer the state of domicile of HNLIC outside of California;

- The Chief Executive Officer/President of HNLIC and the senior executives of HNLIC who have primary day-to-day responsibility for Local Functions (as defined in the CDI Undertakings) will maintain their primary offices in California;
- HNLIC will maintain the National Committee for Quality Assurance ("NCQA") accreditation for all of its health insurance products currently subject to such accreditation and will submit to the accreditation process with NCQA for its off-exchange EPO and PPO health insurance products;
- For each plan type and accredited product offered in California, HNLIC will improve, year over year, the applicable Total HEDIS Score (as defined in the CDI Undertakings) by at least 0.8 per year on an annual rolling average basis, and will improve the applicable Total HEDIS Score to at least 26.7 as of the Score issued in 2020. Failure of HNLIC to improve its quality scores for a particular reporting year will result in it being required to reinvest in its business operations (with the objective of improving or, if applicable, maintaining its Total HEDIS Score) an amount not exceeding $2 million in the immediately following calendar year based on a calculation specified in the CDI Undertakings;
- HNLIC will maintain compliance with the requirements for provider network adequacy under California's insurance laws and will comply with certain other provider network related undertakings;
- HNLIC will use reasonable best efforts to keep premium rate increases to a minimum. For any HNLIC premium rate increase deemed unreasonable or unjustified by CDI, HNLIC agrees to meet and confer with CDI and make a good faith attempt to resolve any differences regarding the premium rate increase;
- HNLIC's practices and methodologies for determining premium rates for its health insurance products after the Merger will not materially vary from HNLIC's pre-Merger practices and methodologies;
- HNLIC's practices and methodologies for determining its health insurance product portfolio and health insurance plan designs in California and premium rates after the Merger will not materially vary from HNLIC's pre-Merger practices and methodologies;
- The Companies will comply with the reporting obligations set forth in the CDI Undertakings, including annual certifications to CDI attesting that since the closing of the Mergers or, if a certification was previously filed with CDI, since the last certification, the Companies have complied with each undertaking;
- In addition to the $10 million HNLIC has invested through the California Organized Investment Network (COIN) as of December 31, 2015, the Companies will invest an additional $30 million, for a total of $40 million, through COIN over the next five (5) year period commencing on the close of the Mergers; and
- Centene will build a service center in an economically distressed community in California employing at least 300 people. Centene will invest $200 million over ten (10) years in support of building the service center and creating new jobs.

The commitments set forth in the CDI Undertakings are subject to the enforcement mechanisms established in Undertaking 21 of the CDI Undertakings.

The CDI Undertakings will become effective on the closing date of the Merger and, except as expressly set forth otherwise with respect to one or more particular undertakings or provisions, will remain in full force and effect until the earlier of (i) five (5) years ending on the fifth anniversary of the closing date of the Merger, (ii) the date on which Centene ceases to maintain a majority of voting power, direct or indirect, over HNLIC, as established by CDI approving a Form A authorizing a change of control or a divestiture or (iii) the date terminated with the written consent of the California Insurance Commissioner.

DMHC Approval

On March 22, 2016, the California Department of Managed Health Care ("DMHC") announced that it had issued orders approving the change of control of Health Net of California, Inc. ("HNCA"), Health Net Community Solutions, Inc. ("HNCS") and Managed Health Network ("MHN" and, together with HNCA and HNCS, the "Knox-Keene Entities"), each a wholly owned subsidiary of Health Net (the "DMHC Approval Orders"). This change of control will occur upon the completion of the Merger. The DMHC Approval Orders were issued in connection with applications (known as "Notices of Material Modification") that the Knox-Keene Entities previously filed with DMHC in connection with the Mergers.

In connection with the Notices of Material Modification, Centene, Health Net, the Knox-Keene Entities and California Health & Wellness Plan, a wholly owned subsidiary of Centene and Knox-Keene licensed entity ("CHWP" and, together with Centene, Health Net and the Knox-Keene Entities, the "Companies"), executed "Undertakings" with DMHC (the "DMHC Undertakings" and together with the CDI Undertakings, the "Undertakings"). A copy of the DMHC Undertakings is attached hereto as Exhibit 99.2 and is incorporated by reference herein. The DMHC Undertakings contain various commitments by the Companies that will be effective upon completion of the Mergers, including but not limited to, the following:

- All of the executive compensation by reason of the Merger will be the responsibility of Centene, except for severance payments required to be made in connection with the Merger, which will be the responsibility of Health Net, and no such amounts, directly or indirectly, will be the obligation of the Knox-Keene Entities;
- The Knox-Keene Entities will not declare or pay dividends or make similar type distributions if such actions would result in any of the Knox-Keene Entities falling below certain financial reserve thresholds;
- The premiums payable by HNCA and MHN enrollees (including copayments and deductibles) will not increase as a result of costs incurred in financing, analyzing and/or consummating the Merger;
- HNCA and MHN practices and methodologies for determining premium rates in the California market after the Mergers will not materially vary from HNCA and MHN pre-Merger practices and methodologies;

- HNCA and MHN practices and methodologies for determining products and benefit designs in the California health plan market after the Mergers will not materially vary from HNCA and MHN pre-Merger practices and methodologies;
- No debt ratings factor relating to the indebtedness that Centene has incurred to finance the Merger will be included in HNCA and MHN's premium practices and methodologies post-Merger;
- HNCA will make every effort to keep premium rate increases to a minimum. For any HNCA premium rate increase deemed unreasonable or unjustified by DMHC, HNCA will meet and confer with DMHC and make a good faith attempt to resolve any differences regarding the premium rate increase;
- Key functions and operations performed by Health Net in California pre-Merger, including maintaining Health Net's headquarters, will remain in California;
- HNCA and MHN will continue to make all commercially reasonable efforts in good faith to operate as an ongoing, economically viable and active competitor in the individual, small and large group commercial markets in California;
- The Knox-Keene Entities will take all reasonable steps in good faith to preserve and maintain the value and goodwill of the Knox-Keene Entities and their products in California.
- The Companies will work to improve enrollee quality of care measures through rating and oversight programs under DMHC, Department of Health Care Services and Office of the Patient Advocate.
- The Companies will provide reports to the DMHC to demonstrate compliance with the Undertakings;
- Centene will contribute $65 million to improve enrollee health outcomes, support locally-based consumer assistance programs and strengthen the health care delivery system. In addition to the $65 million, Centene will invest $75 million in California's health care infrastructure for underserved communities or populations throughout California in need of such capital;
- Same as the commitment made under the CDI Undertakings, Centene will build a service center in an economically distressed community in California employing at least 300 people. Centene will invest $200 million over ten (10) years in construction costs of building the service center and creating new jobs;
- The Companies will comply with a variety of additional undertakings designed to ensure continued compliance with the Knox-Keene Health Care Service Plan Act of 1975 (the "Act") and the Act's corresponding regulations.

The DMHC Undertakings will become effective on the closing date of the Merger and, except as to those provisions of the DMHC Undertakings that contain separate termination provisions, will remain in full force and effect for five years, ending on the fifth anniversary of the closing date of the Merger, unless terminated sooner by the Companies with the written consent of DMHC.

Press Release

On March 22, 2016, Centene and Health Net issued a joint press release announcing that DMHC had approved the Mergers. On March 23, 2016, Centene and Health Net issued a joint press release announcing that CDI had approved the Mergers. Copies of those press releases are attached hereto as Exhibit 99.3 and Exhibit 99.4, respectively, and are incorporated herein by reference.

Forward-Looking Statements

This Form 8-K may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Centene, Health Net and the combined businesses of Centene and Health Net and certain plans and objectives of Centene and Health Net with respect thereto, including the expected benefits of the proposed merger. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aim", "continue", "will", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. There are several factors which could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, the expected closing date of the transaction; the possibility that the expected synergies and value creation from the proposed merger will not be realized, or will not be realized within the expected time period, including, but not limited to, as a result of conditions, terms, obligations or restrictions imposed by regulators in connection with their approval of, or consent to, the merger; the exertion of management's time and Centene's resources, and other out-of-pocket expenses incurred in connection with complying with the Undertakings; the risk that the businesses will not be integrated successfully; disruption from the merger making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred; changes in economic conditions or political conditions; changes in federal or state laws or regulations, including the Patient Protection and Affordable Care Act and the Health Care Education Affordability Reconciliation Act and any regulations enacted thereunder; provider and state contract changes; the outcome of pending legal or regulatory proceedings; reduction in provider payments by governmental payors; the expiration or termination of Centene's or Health Net's Medicare or Medicaid managed care contracts with federal or state governments; tax matters; increased health care costs; the possibility that the merger does not close, including, but not limited to, due to the failure to satisfy the closing conditions; and risks and uncertainties discussed in the reports that Centene and Health Net have filed with the Securities and Exchange Commission (the "SEC"). These forward-looking statements reflect Centene's and Health Net's current views with respect to future events and are based on numerous assumptions and assessments made by Centene and Health Net in light of their experience and perception of historical trends, current conditions, business strategies, operating environments, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this announcement could cause Centene's and Health Net's plans with respect to the proposed merger, actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such

forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this announcement. Neither Centene nor Health Net assumes any obligation to update the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law. These risks, as well as other risks associated with the merger, are more fully discussed in the joint proxy statement/prospectus that is included in the Registration Statement on Form S-4 that has been filed with the SEC on September 21, 2015, in connection with the merger. A further list and description of risks and uncertainties can be found in Centene's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and in its reports on Form 10-Q and Form 8-K as well as in Health Net's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and in its subsequent Form 8-K reports.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Stipulation and Undertakings with the California Department of Insurance
99.2	Undertakings with the California Department of Managed Health Care
99.3	Press Release issued by Centene Corporation and Health Net, Inc. on March 22, 2016
99.4	Press Release issued by Centene Corporation and Health Net, Inc. on March 23, 2016

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTENE CORPORATION

Dated: March 23, 2016

By: /s/ Keith H. Williamson
Name: Keith H. Williamson
Title: Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): July 27, 2015 (July 23, 2015)

ANTHEM, INC.

(Exact name of Registrant as specified in its Charter)

Indiana
(State or Other Jurisdiction of Incorporation or Organization)

001-16751	**35-2145715**
(Commission File Number)	(I.R.S. Employer Identification No.)

120 Monument Circle
Indianapolis, IN 46204
(Address of Principal Executive Offices, Including Zip Code)

(317) 488-6000
(Registrant's telephone number, including area code)

Not applicable
(Former name and former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry Into a Material Definitive Agreement.

Merger Agreement

On July 23, 2015, Anthem, Inc., an Indiana corporation ("Anthem"), Anthem Merger Sub Corp., a Delaware corporation and a direct wholly owned subsidiary of Anthem ("Merger Sub"), and Cigna Corporation, a Delaware corporation ("Cigna"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Subject to the terms and conditions of the Merger Agreement, (a) Merger Sub will merge with and into Cigna (the "Merger"), with Cigna surviving as the surviving corporation (the "Initial Surviving Corporation") and (b) if certain tax opinions relating to the qualification of the transaction under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), are delivered, immediately following the consummation of the Merger, the Initial Surviving Corporation will be merged (the "Second Merger" and, together with the Merger, the "Mergers") with and into Anthem, whereupon the separate corporate existence of the Initial Surviving Corporation will cease and Anthem will continue as the surviving corporation. The Mergers, taken together, are intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, but such qualification is not a condition to the consummation of the Merger.

Subject to the terms of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of Cigna common stock issued and outstanding immediately prior to the Effective Time (other than (i) Cigna treasury shares, (ii) shares owned by Anthem, Cigna, Merger Sub, or any of their respective subsidiaries, (iii) shares with respect to which stockholders have properly exercised and perfected appraisal rights under Delaware law, and (iv) shares subject to Cigna restricted stock awards) will be converted into the right to receive (x) $103.40 in cash, without interest, and (y) 0.5152 of a share of Anthem common stock (together, the "Merger Consideration"). No fractional shares of Anthem common stock will be issued in the Merger, and Cigna's stockholders will receive cash in lieu of any fractional shares of Anthem common stock.

The Merger Agreement provides that, at the Effective Time, each option or appreciation right to acquire Cigna common stock that is vested, outstanding and unexercised as of immediately prior to the Effective Time shall be converted into the right to receive the Merger Consideration with an aggregate value equal to the intrinsic value of such award. Each option or appreciation right that is unvested, outstanding and unexercised as of immediately prior to the Effective Time shall be converted into equivalent awards with respect to Anthem common stock. Generally, all other Cigna equity awards (including strategic performance share awards, restricted stock unit awards and deferred stock unit awards) will be converted into equivalent equity awards with respect to Anthem common stock and, in the case of Cigna strategic performance share awards, will be converted into restricted stock units based on the greater of target or certain recent actual performance achievement thresholds.

Pursuant to the Merger Agreement, at the Effective Time, the board of directors of Anthem will be expanded to consist of 14 members, comprised of the nine current members of Anthem's board of directors and five current members of Cigna's board of directors. In addition, the Merger Agreement provides that Joseph Swedish will serve as Chairman of the Board of Directors and Chief Executive Officer of the surviving corporation, David Cordani will serve as its President and Chief Operating Officer and the name of the surviving corporation will be Anthem, Inc.

Each of Anthem, Merger Sub, and Cigna has made customary representations and warranties and covenants in the Merger Agreement, including covenants regarding the conduct of their respective businesses prior to the closing of the Mergers. In addition, the parties have agreed to use their respective reasonable best efforts to do all things necessary, proper or advisable to consummate the Merger, including obtaining all necessary approvals and consents, except to the extent any such actions would have or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Anthem, Cigna and their respective subsidiaries, taken as a whole, after giving effect to the Mergers (a "Burdensome Term or Condition"). In determining whether any such term or condition would be a Burdensome Term or Condition, impacts on the synergies expected to be realized from the Mergers that are publicly disclosed by either Anthem or Cigna are taken into account.

Each of Anthem and Cigna is subject to customary restrictions on their respective abilities to solicit alternative acquisition proposals and to provide information to, or engage in discussions with, third parties regarding such proposals, except under limited circumstances prior to receipt of shareholder or stockholder approval (as applicable) that allow the board of directors of each company to comply with their respective fiduciary duties. Notwithstanding these no solicitation restrictions, prior to receiving their respective shareholder or stockholder approval (as applicable), (a) the board of directors of Anthem may (i) in response to an Anthem Intervening Event (as defined in the Merger Agreement) or (ii) upon receipt of an Anthem Superior Proposal (as defined in the Merger Agreement), change its recommendation that the Anthem shareholders approve the issuance of shares of Anthem common stock to be issued in the Merger and (b) the board of directors of Cigna may (i) in response to a Cigna Intervening Event (as defined in the Merger Agreement) or (ii) upon receipt of a Cigna Superior Proposal (as defined in the Merger Agreement), change its recommendation that the Cigna stockholders approve the adoption of the Merger Agreement, in each case subject to compliance with certain notice and other procedures set forth in the Merger Agreement including engaging in good faith negotiations to amend the Merger Agreement so that no change in board recommendation is necessary.

Consummation of the Merger is subject to certain customary conditions, including approval by the holders of a majority of the votes in respect of shares of Anthem common stock cast with respect to the issuance of shares of Anthem common stock, approval by the holders of a majority of the outstanding shares of Cigna common stock entitled to vote upon adoption of the Merger Agreement, the receipt of certain necessary governmental and regulatory approvals without the imposition of a Burdensome Term or Condition, the listing of the shares of Anthem common stock to be issued as part of the Merger Consideration on the New York Stock Exchange, the effectiveness of Anthem's registration statement on Form S-4 and the absence of a legal restraint prohibiting the consummation of the Merger. The obligation of each party to consummate the Merger is also conditioned upon the other party's representations and warranties being true and correct (subject to certain materiality qualifications), the other party having performed in all material respects its obligations under the Merger Agreement and the other party not having suffered a Material Adverse Effect (as defined in the Merger Agreement), in each case as set forth in the Merger Agreement.

The Merger Agreement contains certain customary termination rights for both Anthem and Cigna, including (a) if the Merger is not consummated on or before January 31, 2017 (subject to extension to April 30, 2017 under certain circumstances), (b) if the approval of Anthem shareholders or Cigna stockholders is not obtained, (c) subject to compliance with certain terms of the Merger Agreement, in order to enter into a binding agreement with respect to a superior proposal, (d) if the other party materially breaches its representations, warranties or covenants and fails to cure such breach, (e) if a legal restraint prohibiting consummation of the Merger has become final or non-appealable, (f) if the board of directors of the other party changes its recommendation or fails to publicly confirm its recommendation under certain circumstances or (g) the other party materially breaches its no solicitation restrictions or its obligation to call a shareholder meeting for purposes of obtaining the required shareholder approval.

The Merger Agreement further provides that, upon termination of the Merger Agreement under certain circumstances, including in order for a party to enter into a binding agreement with respect to a superior proposal or as a result of a change in the recommendation of a party's board of directors, in each case in compliance with certain terms of the Merger Agreement, such party may be required to pay to the other party a termination fee of $1,850,000,000 (the "Termination Fee"). The Termination Fee is also payable if the Merger Agreement is terminated under certain circumstances where a proposal for an alternative transaction with a party exists prior to the date of termination and such party subsequently consummates, or enters into a definitive agreement to implement, an alternative transaction within 12 months after such termination.

The Merger Agreement also provides that, upon termination of the Merger Agreement under certain circumstances, including because the required shareholder approval of a party was not obtained at a shareholder meeting, such party may be required to pay to the other party an expense fee of $600,000,000 (the "Expense Fee"). If the Expense Fee is paid by a party and the Termination Fee later becomes payable by the same party, then the Termination Fee will be reduced by the Expense Fee.

In the event that the Merger Agreement is terminated by either Anthem or Cigna if (a) a regulatory restraint preventing consummation of the Merger has become final or non-appealable or (b) the Merger has not been consummated on or prior to January 31, 2017 (subject to extension to April 30, 2017 under certain circumstances)

and at the time of such termination, the conditions to Anthem's obligation to consummate the Merger have been satisfied other than those that relate to a regulatory restraint or a regulatory approval, Cigna is entitled to receive from Anthem a reverse termination fee of $1,850,000,000.

The Merger Agreement is attached hereto as Exhibit 2.1 and is incorporated into this Item 1.01 by reference. The foregoing summary does not purport to be complete and has been included to provide investors and security holders with information regarding the terms of the Merger Agreement and is qualified in its entirety by the terms and conditions of the Merger Agreement. It is not intended to provide any other factual information about Anthem, Merger Sub, Cigna or their respective subsidiaries and affiliates. The Merger Agreement contains representations and warranties by each of the parties to the Merger Agreement, which were made only for purposes of the Merger Agreement and as of specified dates. The representations, warranties and covenants were made solely for the benefit of the parties to the Merger Agreement; may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Anthem, Merger Sub, Cigna or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in Anthem's or Cigna's public disclosures. The Merger Agreement should not be read alone, but should instead be read in conjunction with the other information regarding the Merger Agreement, the Mergers, Anthem, Cigna, their respective affiliates and their respective businesses, that will be contained in, or incorporated by reference into, the joint proxy statement/prospectus that will be filed on Form S-4, as well as in the Forms 10-K, Forms 10-Q and other filings that each of Anthem and Cigna make with the Securities and Exchange Commission.

Bridge Facility Commitment Letter

On July 23, 2015, Anthem entered into a bridge facility commitment letter (the "Commitment Letter") pursuant to which Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse AG, Credit Suisse Securities (USA) LLC, UBS Securities LLC and UBS AG, Stamford Branch have committed to provide up to $26.5 billion under a 364-day senior unsecured bridge term loan credit facility to finance the Merger in the event that Anthem has not received any combination of (i) senior unsecured term loans, (ii) common or preferred equity or equity-linked securities and/or (iii) senior unsecured notes in a public offering or private placement in an aggregate principal amount of at least $26.5 billion prior to the consummation of the Merger. The commitment is subject to various customary conditions. The foregoing description of the Commitment Letter does not purport to be complete, and is qualified in its entirety by reference to the full text of the Commitment Letter, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This document, and oral statements made with respect to information contained in this communication, contain certain forward-looking information about Anthem, Inc. ("Anthem"), Cigna Corporation ("Cigna") and the combined businesses of Anthem and Cigna that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not generally historical facts. Words such as "expect(s)," "feel(s)," "believe(s)," "will," "may," "anticipate(s)," "intend," "estimate," "project" and similar expressions (including the negative thereof) are intended to identify forward-looking statements, which generally are not historical in nature. These statements include, but are not limited to, statements regarding the merger between Anthem and Cigna; Anthem's financing of the proposed transaction; the combined company's expected future performance (including expected results of operations and financial guidance); the combined company's future financial condition, operating results, strategy and plans; statements about regulatory and other approvals; synergies from the proposed transaction; the combined company's expected debt-to-capital ratio and ability to retain investment grade ratings; the closing date for the proposed transaction; financial projections and estimates and their underlying assumptions; statements regarding

plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond Anthem's and Cigna's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include: those discussed and identified in Anthem's and Cigna's public filings with the U.S. Securities and Exchange Commission (the "SEC"); those relating to the proposed transaction, as detailed from time to time in Anthem's and Cigna's filings with the SEC; increased government participation in, or regulation or taxation of health benefits and managed care operations, including, but not limited to, the impact of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, or Health Care Reform; trends in health care costs and utilization rates; our ability to secure sufficient premium rates including regulatory approval for and implementation of such rates; our participation in the federal and state health insurance exchanges under Health Care Reform, which have experienced and continue to experience challenges due to implementation of initial and phased-in provisions of Health Care Reform, and which entail uncertainties associated with the mix and volume of business, particularly in Individual and Small Group markets, that could negatively impact the adequacy of our premium rates and which may not be sufficiently offset by the risk apportionment provisions of Health Care Reform; our ability to contract with providers consistent with past practice; competitor pricing below market trends of increasing costs; reduced enrollment, as well as a negative change in our health care product mix; risks and uncertainties regarding Medicare and Medicaid programs, including those related to non-compliance with the complex regulations imposed thereon and funding risks with respect to revenue received from participation therein; our projected consolidated revenue growth and global medical customer growth; a downgrade in our financial strength ratings; litigation and investigations targeted at our industry and our ability to resolve litigation and investigations within estimates; medical malpractice or professional liability claims or other risks related to health care services provided by our subsidiaries; our ability to repurchase shares of its common stock and pay dividends on its common stock due to the adequacy of its cash flow and earnings and other considerations; non-compliance by any party with the Express Scripts, Inc. Pharmacy benefit management services agreement, which could result in financial penalties; our inability to meet customer demands, and sanctions imposed by governmental entities, including the Centers for Medicare and Medicaid Services; events that result in negative publicity for us or the health benefits industry; failure to effectively maintain and modernize our information systems and e-business organization and to maintain good relationships with third party vendors for information system resources; events that may negatively affect Anthem's licenses with the BlueCross and BlueShield Association; possible impairment of the value of our intangible assets if future results do not adequately support goodwill and other intangible assets; intense competition to attract and retain employees; unauthorized disclosure of member or employee sensitive or confidential information, including the impact and outcome of investigations, inquiries, claims and litigation related to the cyber attack Anthem reported in February 2015; changes in the economic and market conditions, as well as regulations that may negatively affect our investment portfolios and liquidity; possible restrictions in the payment of dividends by our subsidiaries and increases in required minimum levels of capital and the potential negative effect from our substantial amount of outstanding indebtedness; general risks associated with mergers and acquisitions; various laws and provisions in Anthem's governing documents that may prevent or discourage takeovers and business combinations; future public health epidemics and catastrophes; and general economic downturns. Important factors that could cause actual results and other future events to differ materially from the forward-looking statements made in this communication are set forth in other reports or documents that Anthem and/or Cigna may file from time to time with the SEC, and include, but are not limited to: (i) the ultimate outcome of the proposed transaction, including the ability to achieve the synergies and value creation contemplated by the proposed transaction within the expected time period or at all, (ii) the ultimate outcome and results of integrating the operations of Anthem and Cigna, (iii) disruption from the merger making it more difficult to maintain businesses and operational relationships, (iv) the risk that unexpected costs will be incurred in connection with the proposed transaction, (v) the timing to consummate the proposed transaction, (vi) the possibility that the proposed transaction does not close, including, but not limited to, due to the failure to satisfy the closing conditions, including the receipt of required regulatory approvals and the receipt of approval of both Anthem's and Cigna's shareholders and stockholders, respectively, and (viii) the risks and uncertainties detailed by Cigna with respect to its business as described in its reports and documents filed with the SEC. All forward-looking statements attributable to Anthem, Cigna or any person acting on behalf of Anthem and/or Cigna are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Except to the extent otherwise required by federal securities law, neither Anthem nor Cigna undertake any obligation to republish revised forward-looking statements to reflect events or

circumstances after the date hereof or to reflect the occurrence of unanticipated events or the receipt of new information. Readers are also urged to carefully review and consider the various disclosures in Anthem's and Cigna's SEC reports.

Important Information for Investors and Shareholders

This communication does not constitute an offer to sell or a solicitation of an offer to sell or a solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

The proposed transaction between Anthem, Inc. ("Anthem") and Cigna Corporation ("Cigna") will be submitted to Anthem's and Cigna's shareholders and stockholders (as applicable) for their consideration. In connection with the transaction, Anthem and Cigna will file relevant materials with the U.S. Securities and Exchange Commission (the "SEC"), including an Anthem registration statement on Form S-4 that will include a joint proxy statement of Anthem and Cigna that also constitutes a prospectus of Anthem, and each will mail the definitive joint proxy statement/prospectus to its shareholders and stockholders, respectively. This communication is not a substitute for the registration statement, joint proxy statement/prospectus or any other document that Anthem and/or Cigna may file with the SEC in connection with the proposed transaction.

INVESTORS AND SECURITY HOLDERS OF ANTHEM AND CIGNA ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain free copies of the registration statement containing the joint proxy statement/prospectus and other documents filed with the SEC by Anthem or Cigna (when available) through the web site maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by Anthem will be available free of charge on Anthem's internet website at http://www.antheminc.com or by contacting Anthem's Investor Relations Department at (317) 488-6168. Copies of the documents filed with the SEC by Cigna will be available free of charge on Cigna's internet website at http://www.cigna.com or by contacting Cigna's Investor Relations Department at (215) 761-4198.

Anthem, Cigna and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. You can find information about Anthem's executive officers and directors in Anthem's annual report on Form 10-K for the year ended December 31, 2014 and its definitive proxy statement filed with the SEC on April 1, 2015. You can find information about Cigna's executive officers and directors in Cigna's annual report on Form 10-K for the year ended December 31, 2014 and its definitive proxy statement filed with the SEC on March 13, 2015. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus when it is filed with the SEC. You may obtain free copies of these documents using the sources indicated above.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger, dated as of July 23, 2015, by and among Anthem, Inc., Anthem Merger Sub Corp. and Cigna Corporation.
10.1	Commitment letter, dated as of July 23, 2015, by and among Anthem, Inc., Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse AG, Credit Suisse Securities (USA) LLC, UBS Securities LLC and UBS AG.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Anthem, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ANTHEM, INC.

By: /s/ Kathleen S. Kiefer

Name: Kathleen S. Kiefer

Title: Corporate Secretary

Dated: July 27, 2015

EXHIBIT INDEX

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 23, 2015**

Cigna Corporation
(Exact name of registrant as specified in its charter)

Delaware	**1-08323**	**06-1059331**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

900 Cottage Grove Road
Bloomfield, Connecticut 06002
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(860) 226-6000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☑ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On July 23, 2015, Cigna Corporation, a Delaware corporation ("Cigna"), entered into an Agreement and Plan of Merger (the "Merger Agreement") among Cigna, Anthem, Inc., an Indiana corporation ("Anthem"), and Anthem Merger Sub Corp., a Delaware corporation and a direct wholly owned subsidiary of Anthem ("Merger Sub").

The Merger Agreement, which was unanimously approved by Cigna's board of directors, provides for (a) the merger of Merger Sub (the "Merger") with and into Cigna, whereupon the separate corporate existence of Merger Sub will cease and Cigna will continue as the surviving corporation (the "Initial Surviving Corporation"), and (b) if certain tax opinions relating to the qualification of the transaction under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), are delivered, immediately following the consummation of the Merger, the Initial Surviving Corporation will be merged (the "Second Merger" and, together with the Merger, the "Mergers") with and into Anthem, whereupon the separate corporate existence of the Initial Surviving Corporation will cease and Anthem will continue as the surviving corporation. The Mergers, taken together, are intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, but such qualification is not a condition to the consummation of the Merger.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of common stock of Cigna issued and outstanding immediately prior to the Effective Time (other than (i) shares of Cigna common stock held directly by Cigna as treasury stock, (ii) shares of Cigna common stock beneficially owned by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (iii) shares with respect to which appraisal rights are properly exercised and not withdrawn and (iv) shares of Cigna common stock subject to Cigna Restricted Stock Awards (as defined in the Merger Agreement)) will be converted into the right to receive (a) $103.40 in cash, without interest, and (b) 0.5152 of a share of Anthem common stock (together, the "Merger Consideration"). No fractional shares of Anthem common stock will be issued in the Merger, and holders of shares of Cigna common stock will receive cash in lieu of any fractional shares of Anthem common stock.

The Merger Agreement provides that, at the Effective Time, any vested Cigna stock options and stock appreciation rights will be converted into the right to receive Merger Consideration with an aggregate value equal to the intrinsic value of such award. Any unvested Cigna stock options and stock appreciation rights will be converted into equivalent awards with respect to Anthem common stock, after giving effect to appropriate adjustments to reflect the consummation of the Mergers. Generally, all other Cigna equity awards (including strategic performance share awards, restricted stock unit awards and deferred stock unit awards) will be converted into equivalent equity awards with respect to Anthem common stock and, in the case of Cigna strategic performance share awards, will be converted into restricted stock units based on the greater of target or certain recent actual performance achievement thresholds.

Pursuant to the Merger Agreement, at the Effective Time, the board of directors of Anthem will be expanded to consist of 14 members, comprised of (a) the nine current members of Anthem's board of directors and (b) five current members of Cigna's board of directors.

The Merger Agreement contains customary representations, warranties and covenants of both Cigna and Anthem, including covenants to conduct their respective businesses in the ordinary course during the interim period between the execution of the Merger Agreement and the Effective Time, to not engage in certain types of transactions during this interim period and to use reasonable best efforts to take all actions necessary to cause the conditions to closing to be satisfied as promptly as reasonably practicable. Each of Cigna and Anthem are specifically required to take all actions required to obtain all necessary governmental and regulatory approvals, except to the extent any such actions would have or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Anthem, Cigna and their respective subsidiaries, taken as a whole, after giving effect to the Mergers (a "Burdensome Term or Condition").

Each of Cigna and Anthem is subject to customary restrictions on their respective abilities to solicit alternative acquisition proposals and to provide information to, or engage in discussions with, third parties regarding such proposals, except under limited circumstances that allow the board of directors of each company to comply with their respective fiduciary duties. Notwithstanding these no solicitation restrictions, prior to receiving their respective stockholder approval, (a) the board of directors of Cigna may, (i) in response to a Cigna Intervening Event (as defined in the Merger Agreement) or (ii) upon receipt of a Cigna Superior Proposal (as defined in the Merger Agreement), change its recommendation that the Cigna stockholders approve the adoption of the Merger Agreement and (b) the board of

directors of Anthem may, (i) in response to an Anthem Intervening Event (as defined in the Merger Agreement) or (ii) upon receipt of an Anthem Superior Proposal (as defined in the Merger Agreement), change its recommendation that the Anthem shareholders approve the issuance of shares of Anthem common stock, in each case subject to compliance with certain notice and other procedures set forth in the Merger Agreement.

Consummation of the Merger is subject to certain customary conditions, including approval by the holders of a majority of the outstanding shares of Cigna common stock entitled to vote upon adoption of the Merger Agreement and approval by the holders of a majority of the votes in respect of shares of Anthem common stock cast with respect to the issuance of shares of Anthem common stock, the receipt of certain necessary governmental and regulatory approvals without the imposition of a Burdensome Term or Condition, the listing of the shares of Anthem common stock to be issued as part of the Merger Consideration on the New York Stock Exchange, the effectiveness of Anthem's registration statement on Form S-4 and the absence of a legal restraint prohibiting the consummation of the Merger. The obligation of each party to consummate the Merger is also conditioned upon the other party's representations and warranties being true and correct (subject to certain materiality qualifications), the other party having performed in all material respects its obligations under the Merger Agreement and the other party not having suffered a Material Adverse Effect (as defined in the Merger Agreement), in each case as set forth in the Merger Agreement. Consummation of the Mergers is not subject to a financing condition.

The Merger Agreement contains certain customary termination rights for both Cigna and Anthem, including (a) if the Merger is not consummated on or before January 31, 2017 (subject to extension to April 30, 2017 under certain circumstances), (b) if the approval of Anthem shareholders or Cigna stockholders is not obtained, (c) in order to enter into a binding agreement with respect to a superior proposal, (d) if the other party materially breaches its representations, warranties or covenants and fails to cure such breach, (e) if a legal restraint prohibiting consummation of the Merger has become final or non-appealable or (f) if the board of directors of the other party changes its recommendation or fails to publicly confirm its recommendation under certain circumstances or the other party materially breaches its no solicitation restrictions or its obligation to call a stockholder meeting for purposes of obtaining the required stockholder approval.

The Merger Agreement further provides that, upon termination of the Merger Agreement under certain circumstances, including in order for a party to enter into a binding agreement with respect to a superior proposal or as a result of a change in the recommendation of a party's board of directors, such party may be required to pay to the other party a termination fee of $1,850,000,000 (the "Termination Fee").

The Merger Agreement also provides that, upon termination of the Merger Agreement under certain circumstances, including because the required stockholder approval of a party was not obtained at a stockholder meeting, such party may be required to pay to the other party an expense fee of $600,000,000 (the "Expense Fee"). If the Expense Fee is paid by a party and the Termination Fee later becomes payable by the same party, then the Termination Fee will be reduced by the Expense Fee.

In the event that the Merger Agreement is terminated by either Anthem or Cigna if (a) a regulatory restraint preventing consummation of the Merger has become final or non-appealable or (b) the Merger has not been consummated on or prior to January 31, 2017 (subject to extension to April 30, 2017 under certain circumstances) and at the time of such termination, the conditions to Anthem's obligation to consummate the Merger have been satisfied other than those that relate to a regulatory restraint or a regulatory approval, Cigna shall be entitled to receive from Anthem a reverse termination fee of $1,850,000,000 (the "Reverse Termination Fee").

The representations, warranties and covenants of Cigna, Anthem and Merger Sub contained in the Merger Agreement have been made solely for the benefit of the parties. In addition, such representations, warranties and covenants (a) have been made only for purposes of the Merger Agreement, (b) have been qualified by (i) the matters specifically disclosed in certain of Cigna's and Anthem's filings with the United States Securities and Exchange Commission and (ii) confidential disclosures made in the disclosure letters delivered in connection with the Merger Agreement, (c) are subject to materiality qualifications contained in the Merger Agreement which may differ from what may be viewed as material by investors, (d) were made only as of the date of the Merger Agreement or such other date as is specified in the Merger Agreement and (e) have been included in the Merger Agreement for the purpose of allocating risk between the contracting parties rather than establishing matters of fact. Accordingly, the Merger Agreement is included with this filing only to provide investors with information regarding the terms of the Merger Agreement, and not to provide investors with any other factual information regarding Cigna, Anthem or their respective businesses. Investors should not rely on the representations, warranties or covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Cigna, Anthem or any of their respective affiliates. Moreover, information concerning the subject matter of the representations, warranties or covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in Cigna's or Anthem's public disclosures.

The foregoing description of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is subject to and qualified in its entirety by reference to the Merger Agreement, a copy of which is filed as Exhibit 2.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01 **Financial Statements and Exhibits.**

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of July 23, 2015, by and among Anthem Inc., Anthem Merger Sub Corp. and Cigna Corporation.

NO OFFER OR SOLICITATION

This communication is neither an offer to buy, nor a solicitation of an offer to sell, subscribe for or buy any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

The proposed transaction involving Cigna Corporation ("Cigna") and Anthem, Inc. ("Anthem") will be submitted to Cigna's shareholders and Anthem's shareholders for their consideration. In connection with the proposed transaction, Anthem will prepare a registration statement on Form S-4 that will include a joint proxy statement/prospectus for Cigna's shareholders and Anthem's shareholders to be filed with the Securities and Exchange Commission (the "SEC"), and each of Cigna and Anthem will mail the joint proxy statement/prospectus to their respective shareholders and file other documents regarding the proposed transaction with the SEC. This communication is not intended to be, and is not, a substitute for such filings or for any other document that Cigna or Anthem may file with the SEC in connection with the proposed transaction. SECURITY HOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE REGISTRATION STATEMENT ON FORM S-4 AND THE JOINT PROXY STATEMENT/PROSPECTUS, CAREFULLY WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. The registration statement, the joint proxy statement/prospectus and other relevant materials (when they become available) and any other documents filed or furnished by Cigna or Anthem with the SEC may be obtained free of charge at the SEC's web site at www.sec.gov. In addition, security holders will be able to obtain free copies of the registration statement and the joint proxy statement/prospectus from Cigna by going to its investor relations page on its corporate web site at www.cigna.com or by contacting Cigna's investor relations department at (215) 761-4198 and from Anthem by going to its investor relations page on its corporate web site at www.anthem.com or by contacting Anthem's Investor Relations Department at (317) 488-6168.

PARTICIPANTS IN THE SOLICITATION

Cigna, Anthem, their respective directors and certain of their respective executive officers and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about Cigna's directors and executive officers is set forth in its definitive proxy statement filed with the SEC on March 13, 2015 and information about Anthem's directors and executive officers is set forth in its definitive proxy statement filed with the SEC on April 1, 2015. These documents are available free of charge from the sources indicated above, and from Cigna by going to its investor relations page on its corporate web site at www.cigna.com or by contacting Cigna's investor relations department at (215) 761-4198 and from Anthem by going to its investor relations page on its corporate web site at www.anthem.com or by contacting Anthem's Investor Relations Department at (317) 488-6168. Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed transaction will be included in the registration statement, the joint proxy statement/prospectus and other relevant materials Cigna and Anthem file with the SEC.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This communication, and oral statements made with respect to information contained in this communication, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on Cigna's current expectations and projections about future trends, events and uncertainties. These statements are not historical facts. Forward-looking statements may include, among others, statements concerning our projected adjusted income (loss) from operations outlook for 2015, on both a consolidated and segment basis; projected consolidated revenue growth and global medical customer growth; projected medical care and operating expense ratios; future financial or operating performance, including our ability to deliver personalized and innovative solutions for our customers and clients and future growth, business strategy, strategic or operational initiatives; economic, regulatory or competitive environments, particularly with respect to the pace and extent of change in these areas; financing or capital deployment plans; our prospects for growth in the coming years; statements regarding the proposed merger between Cigna and Anthem; our beliefs relating to value creation as a result of a potential combination with Anthem; the expected timetable for completing the transaction; benefits and synergies of the transaction; future opportunities for the combined company; and any other statements regarding Cigna's and Anthem's future beliefs, expectations, plans, intentions, financial condition or performance. You may identify forward-looking statements by the use of words such as "believe", "expect", "plan", "intend", "anticipate", "estimate", "predict", "potential", "may", "should", "will" or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements are subject to risks and uncertainties, both known and unknown, that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Such risks and uncertainties include, but are not limited to: our ability to achieve our financial, strategic and operational plans or initiatives; our ability to predict and manage medical costs and price effectively and develop and maintain good relationships with physicians, hospitals and other health care providers; our ability to identify potential strategic acquisitions or transactions and realize the expected benefits of such transactions; the substantial level of government regulation over our business and the potential effects of new laws or regulations, or changes in existing laws or regulations; the outcome of litigation, regulatory audits, investigations and actions and/or guaranty fund assessments; uncertainties surrounding participation in government-sponsored programs such as Medicare; the effectiveness and security of our information technology and other business systems; unfavorable industry, economic or political conditions; the timing and likelihood of completion of the proposed merger, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals for the proposed merger that could reduce anticipated benefits or cause the parties to abandon the transaction; the possibility that Cigna shareholders or Anthem shareholders may not approve the proposed merger; the possibility that the expected synergies and value creation from the proposed merger will not be realized or will not be realized within the expected time period; the risk that the businesses of Cigna and Anthem will not be integrated successfully; disruption from the proposed merger making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred; the possibility that the proposed merger does not close, including due to the failure to satisfy the closing conditions; the risk that financing for the proposed merger may not be available on favorable terms, as well as more specific risks and uncertainties. Such other risks and uncertainties are discussed in our most recent report on Form 10-K and subsequent reports on Forms 10-Q and 8-K available on the Investor Relations section of www.cigna.com or by contacting Cigna's investor relations department at 215-761-4198 as well as on Anthem's most recent report on Form 10-K and subsequent reports on Forms 10-Q and 8-K available on the Investor Relations section of www.anthem.com or by contacting Anthem's Investor Relations Department at (317) 488-6168. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance or results, and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Cigna undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Cigna Corporation

Date: July 27, 2015

By: /s/ Thomas A. McCarthy
Thomas A. McCarthy
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
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